

BOULDER CITY COUNCIL MEETING
MUNICIPAL BUILDING, 1777 BROADWAY
Thursday, November 15, 2012
6 p.m.
FINAL AGENDA

1. **CALL TO ORDER AND ROLL CALL**
2. **OPEN COMMENT and COUNCIL/STAFF RESPONSE** (limited to 45 min.) Public may address any city business for which a public hearing is not scheduled later in the meeting (this includes the consent agenda and first readings). After all public hearings have taken place, any remaining speakers will be allowed to address council. All speakers are limited to three minutes.
3. **CONSENT AGENDA** (to include first reading of ordinances) Vote to be taken on the motion at this time. (Roll call vote required.)
 - A. Consideration of a motion to approve the **September 18, 2012** City Council **meeting minutes**
 - B. Consideration of a motion to approve the **October 2, 2012** City Council **meeting minutes**
 - C. Consideration of a **motion to change the** regularly scheduled **meetings in January** to Tuesday, **January 8 and Tuesday, January 22 at 6:00 PM**
 - D. Consideration of a motion to accept the **October 9 and October 23, 2012 Study Session Summary regarding** possible revisions to the **Code of Conduct and the Financial Disclosure Regulations**
 - E. Consideration of a motion approving the proposed **2013 budget, operating plan and board nominations for the Downtown Boulder Business Improvement District**
 - F. Consideration of a motion to approve a **resolution to provide fire protection services to certain annexed properties** previously served by the Boulder Rural Fire Protection District
 - G. **Fourth reading** and consideration of a motion to adopt **Ordinance No. 7870** amending Title 6, "Health, Safety and Sanitation", B.R.C. 1981, **regarding** the establishment of **a fee on all disposable plastic and paper checkout bags distributed at food stores**
 - H. Introduction, **first reading** and consideration of a motion to order published by title only an **ordinance approving supplemental appropriations** to the **2012 Budget**
4. **POTENTIAL CALL- UP CHECK IN**

Opportunity for Council to indicate possible interest in the call- up of an item listed under agenda Item 8-A1.

ORDER OF BUSINESS

5. PUBLIC HEARINGS

- A. **Second reading** and consideration of a motion to adopt **Ordinance 7879 or 7880** respectively, amending Chapter 4-23, "Neighborhood Parking Zone Permits," B.R.C. 1981, Section 4-23-2 to either **remove the sunset provision** and make commuter permits a permanent part of the program, **or extend the sunset provision** for an additional five years
- B. Consideration of a motion to approve the **Municipalization Charter Requirement Metrics**

6. MATTERS FROM THE CITY MANAGER

None.

7. MATTERS FROM THE CITY ATTORNEY

None.

8. MATTERS FROM MAYOR AND MEMBERS OF COUNCIL

A. Potential Call-ups

- 1. **Potential Call-up of Site and Use Review for John's Restaurant, 2014 Pearl**
- 2. **Potential Call-up of Site Review for Trader Joe's**
- 3. **Potential Call-up of Site Review approval for 2641 4th Street**

- B. Consideration of a motion regarding **2012 performance evaluations, and performance based salary adjustments** for the **City Manager, City Attorney, and Municipal Judge**

9. PUBLIC COMMENT ON MATTERS (15 min.) Public comment on any motions made under Matters.

10. FINAL DECISIONS ON MATTERS Action on motions made under Matters.

11. ADJOURNMENT

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**CITY OF BOULDER
CITY COUNCIL PROCEEDINGS**

September 18, 2012

1. **CALL TO ORDER AND ROLL CALL 6:00 PM**

Mayor Appelbaum called the regular September 4, 2012 City Council meeting to order at 6:00 p.m. in Council Chambers.

Those present were: Mayor Appelbaum and Council Members Ageton, Becker, Cowles, Jones, Karakehian, Morzel, Plass, and Wilson.

A. **Colorado Companies to Watch Declaration – September, 2012**

Boulder has almost one-quarter of winners from the last four years of the award. Winners of the award were each given a chance to speak about their companies.

B. **Crosswalk Safety Week Declaration – September 17 – September 30**

Mayor Appelbaum spoke to the city's dedication to protecting pedestrians and bikers in a multi-modal city.

C. **Disappearing Glaciers and Ice - Presentation by James Balog**

Council Member Cowles introduced Mr. Balog and related Mr. Balog's credentials. Mr. Balog spoke about his extensive research in climate change and the effects of global warming that he has witnessed.

David Driskell addressed council and the audience about Diagonal Plaza and potential redevelopment in the area.

2. **OPEN COMMENT and COUNCIL/STAFF RESPONDS 6:50 PM**

- 1) Michelle Boucher – Spoke about her desire to see Boulder adopt a Free Trade City resolution
- 2) Sam Kent – Presented a model of the Number 30 Boulder train and spoke to the issues of bringing the restored train back to Boulder
- 3) Alexander Holcomb – Spoke about disc golf in Boulder
- 4) Elizabeth Allen – Spoke about issues that would arise if Wal-Mart came to Boulder
- 5) Mark Belkin – Asked council to hold a meeting to determine whether or not Wal-Mart was moving to Boulder
- 6) Monika Tiffany – Spoke against the idea of Wal-Mart coming to Boulder
- 7) Tim Wagner – Spoke about his concern should Wal-Mart open a store in Boulder
- 8) Dan Frazier – Warned that Boulder should avoid letting Wal-Mart come to town
- 9) Jim Bowen – Spoke about the benefits
- 10) Gabriel Connors – Spoke about the detriments in a Wal-Mart system
- 11) Brian Wiglesworth – Spoke to his dislike of Wal-Mart and its history
- 12) Kasia Szewczyk – Spoke to the negative impact that Wal-Mart has on its employees

There being no more time, Mayor Appelbaum closed Open Comment until further notice during

the meeting.

Staff Response:

City Manager Brautigam stated that Wal-Mart, should they open a store in Boulder, would not receive any tax benefits.

Council Response:

Council Member Becker asked that City Manager Brautigam release any information about a potential Wal-Mart as it becomes available rather than waiting for it to be asked for.

Mayor Appelbaum spoke to the difficulties of attempting to keep Wal-Mart out of Boulder through legislative means. He also expressed his displeasure that the city council was being accused of hiding information from citizens.

Council Member Wilson said that it could be dangerous to start legislating to keep one company out of Boulder as that could lead to other companies being kept out of Boulder.

Council Member Ageton said that we live in a market economy and that people always have the recourse of not shopping at a store that they do not approve of.

Council Member Cowles said that Wal-Mart leans heavily on the Affordable Housing Program because they pay such low wages. Should Wal-Mart come to Boulder, a study would be warranted prior to Wal-Mart coming to Boulder.

3. **CONSENT AGENDA 7:34 PM**

- A. **CONSIDERATION OF A MOTION TO APPROVE THE MAY 15, 2012 CITY COUNCIL MEETING MINUTES**
- B. **CONSIDERATION OF A MOTION TO APPROVE THE JUNE 19, 2012 CITY COUNCIL MEETING MINUTES**
- C. **CONSIDERATION OF A MOTION TO ACCEPT THE SUMMARY OF THE AUGUST 28, 2012 DINNER DISCUSSION ON THE TRANSPORTATION MASTER PLAN UPDATE**
- D. **CONSIDERATION OF A MOTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A RENEWED BOULDER BROOMFIELD HOME CONSORTIUM INTERGOVERNMENTAL AGREEMENT AND TO EXECUTE FUTURE AMENDMENTS.**
- E. **SECOND READING AND CONSIDERATION OF ORDINANCE NO. 7865 CORRECTING THE LEGAL DESCRIPTION FOR THE GRANARY AND A PORTION OF THE SITE AT 4051 BROADWAY STREET, CITY OF BOULDER, COLORADO, ALSO KNOWN AS THE STEPHENS GRANARY, A LANDMARK UNDER CHAPTER 9-11, "HISTORIC PRESERVATION," B.R.C. 1981.**

Council Member Plass moved, seconded by Council Member Morzel to approve Consent Agenda items 3A through 3E. The motion carried 8:0. Vote taken at 7:34 PM.

4. **POTENTIAL CALL-UP CHECK IN 7:35 PM - None.**

ORDER OF BUSINESS

5. PUBLIC HEARINGS 7:36 PM

A. CONSIDERATION OF A MOTION TO ADOPT THE BOULDER CREEK FLOODPLAIN MAPPING UPDATE

Presentation of this item was given by Utility Projects Coordinator Bob Harberg, Engineering Project Manager Christie Coleman and Director of Utilities Jeff Arthur. Also presenting were Professional Engineering Consultant, Greg Coke and Boulder County Transportation Department, Water Resources Engineer, Dave Webster.

Boulder Creek poses a significant flood hazard risk to the City of Boulder with over 600 properties located within the 100 year floodplain. City regulates the floodplain and insurance is available through the National Flood Insurance Program. This program relies on accurate information supplied to them by the city through mapping studies such as the one that was before the council that evening. The previous study was conducted almost 30 years ago and was similar to South Boulder Creek Study reviewed by council a few years ago. The current study accounts for numerous changes and improvements which included the reconstruction of the Broadway Bridge.

Ms. Coleman showed a High Hazard Zone Map which depicted a serious life safety region should a serious flood occur. The map showed where people and structures may be swept away in flood waters. These maps are available to the public. The Conveyance Zone shows areas that do not obstruct flood zones. 100-yr Floodplain identifies areas where property damage is likely to occur. The flood zones are used to guide Flood Regulations. FEMA requires that insurance is required in 100-year floodplain. B.R.C. Land Use Regulations were outlined. New structures are allowed only in Conveyance Zone. The study showed several structures that are no longer affected in the flood zones and several new structures that would be affected within the various flood zones. The Valmont Split Flow Path shows pathway of conveyance and delineation. County and City Professional Engineering Consultants were in disagreement as to how much the Conveyance Zone would be delineated. Documentation should be submitted to FEMA for their review and consideration.

Regarding the Valmont Split Flow Path, Council Member Jones asked what the implication was for people in the area on the ground mapping within the City map and the County map.

Christie Coleman responded that in the County's preferred option there would not be a Conveyance Zone delineation. That is the option she and the other presenters recommended.

Mayor Appelbaum asked if that option was agreed to, would there be a floodplain there at all. He was told there would still be a mapped 100-year floodplain. He asked for clarity on the existing properties under the county's jurisdiction and the ability for property owners to have structural liberty within the regulations of the county.

Boulder County Transportation Department, Water Resources Engineer, Dave Webster explained that the area would be zoned as a 100-year Floodplain and subject to County

Regulations for development, redevelopment would be permitted under Land Use Code, if flood proofing requirements could be met.

Mayor Appelbaum asked about annexation proceedings. Also asked, in terms of regulatory structure, if the County's preferred outcome came to pass, if FEMA adopts a map other than what Boulder suggests, then, what.

Utility Projects Coordinator, Bob Harberg confirmed, an annexation could be denied. The area is currently connected to City sewer and not city water. The situation would have to be evaluated before a decision to annex was granted. Flood hazard issues would be reviewed and a request would be sent to FEMA to have Boulder flood hazard issues revisited if necessary.

Council Member Wilson asked if Valmont Substation feeders provided electricity to the city. He also asked how the city was obligated to regulate its mapping.

Christie Coleman confirmed that the City is obligated to enforce the official FEMA maps, which would be the more conservative map, until FEMA makes changes to the maps.

Council Member Ageton referenced the last page of document regarding the Colorado Water Conservation Board and asked what their role was.

Christie Coleman answered that they oversee floodplains. They play a leadership role in all communities in the state to ensure consistent floodplain standards that set a minimum level for all communities. They are also the center-point for floodplain information. They submit maps to FEMA for their technical review, approval and return to the Colorado Water Conservation Board to be entered into its database. FEMA is the authority.

Council Member Jones referred to the packet where it stated residents were concerned and asked what that meant.

Christie Coleman explained that a lengthy public process took place with over 2,000 property owners. Some of those property owners have had complaints along the way. Other property owners asked for additional information. The map is still open to correction and finalization.

Utility Projects Coordinator Bob Harberg indicated the map was 99% complete. The public had numerous opportunities to provide input. If there was grounded information submitted by the public it would be considered. FEMA makes the final submittal.

Council Member Plass asked what the timeline of validity for the maps.

Christie Coleman noted the mapping effort could be valid for 5 – 10 years.

Council Member Wilson recalled, in his experience that remapping occurred every 20 years. He and Christie Coleman confirmed that property owners could appeal to FEMA directly.

After council questions the public hearing was opened:

1. John Lindell, Rep Quardin Farma – because of the FEMA evaluation, as of December 18th, they will be in the floodplain. They will be addressing this concern with FEMA.
2. David Lesserman – suggested a revisit of map for the High Hazard Zone. The engineering criteria, is not appropriate for regulating construction.
3. Connie Lesserman – Her neighborhood has been out of the High Hazard Zone. Current law states that if a property on the High Hazard Zone gets destroyed, the owners cannot rebuild. She requested that the harsh consequences have a policy review.
4. Chuck Hal – agreed with David Lesserman. WRAB has not addressed the high hazard issue.
5. Mike Finnesey – stated that if his homes were destroyed in a flood he would only be paid the value of the homes post flood and not the value before the flood. He requested a reevaluation for property value in case of a disastrous flood.

There being no further speakers, the public hearing was closed.

Christie Coleman spoke to Conveyance Zone, noting there was a restriction on new structures intended for human occupancy within High Hazard Zone. There are relatively few lots that are completely contained within High Hazard Zone. For those residents who lost their properties within the High Hazard Zone, they would have the right to rebuild within the Conveyance Zone. The City also has a post flood property acquisition in the code. A process to repurchase property in a post flood event does exist, upon request.

City Attorney Tom Carr clarified that FEMA insurance would pay for loss and damage to property after a flood. The value of the lot would be paid by a different entity.

Council Member Cowles stated through Urban Flood and Drainage Fees the City has acquired properties in various flood ways. He asked if fair market value was paid for the properties or if a devalued amount was paid because it was in the High Hazard Zone.

Utility Projects Coordinator, Bob Harberg, confirmed that fair market value was required by law to pay for the properties.

Council Member Wilson asked if a process of appraisal on a property took place for these zones and does the location of the property within a High Hazard Zone impact the value.

Utility Projects Coordinator Bob Harberg stated that property values have not been diminished because a home sits in a High Hazard Zone. \$1.25M is sitting in a reserve fund for property damage.

Council Member Wilson noted the city adopted the High Hazard Zone originally in 1989 and then changed it in 2010. He asked for clarification of what the extent was of the changes. He also asked when changes to the Flood Hazard would be addressed.

Director of Public Works for Utilities Jeff Arthur stated the changes made in 2010 related to redevelopment along Canyon Blvd. Flood High Hazard Zones would be a work program item for the Water Resource Advisory Board (WRAB) and could be a year long process.

Council Member Plass moved, seconded by Council Member Wilson to adopt the proposed Boulder Creek Floodplain Mapping Update, submit the study to FEMA, and use the more restrictive of the existing and proposed mapping for the regulation of all annexations and development proposals during the FEMA review period. The motion carried 9:0. Vote taken at 8:56 PM.

6. **MATTERS FROM THE CITY MANAGER** 8:56 PM.

A. CONSIDERATION OF A MOTION TO APPROVE THE TRANSPORTATION MASTER PLAN (TMP) POLICY REVIEW AND POTENTIAL WORK TASKS

Presentation of this item was provided by Director for Public Works for Transportation, Tracy Winfrey. The course of the Transportation Master Plan (TMP) update consisted of the data and body of analysis to show next steps for 2012 and 2013. Proposing current policy foundation was essentially sound and the course should remain. Continued focus areas with refinement include Funding, Regional Travel, Multimodal Corridors to Complete Streets, Travel Demand management, and an addition of integration with Sustainability Initiatives.

Mayor Appelbaum asked about a cost/benefit analysis and statistical measures. He complimented the plan.

Council Member Ageton commented on exploring community wide ecopaths and offered a cautionary note with raising expectations when there is no money. The interest in renaming Multimodal Corridors to Complete Streets may not be a priority to the public as the terms are vague and need to be explained.

Council Member Morzel was proud to see how far things have come and agreed with Council Member Ageton on the Complete Streets comment. She encouraged Tracy Winfrey to look at some of the European cities to see how they do things.

Council Member Jones moved, seconded by Council Member Becker to approve the suggested refinements and work priorities for the 2012-2013 Transportation Master Plan Update. The motion carried, 9:0. Vote taken at 10:10 PM.

B. REQUEST FOR CLARIFICATION ON EXPECTATIONS WITH REGARD TO RESPONDING TO LOBBYING FOR EDUCATIONAL EXCISE TAX REVENUE AWARDS

Presentation of this item was provided by Policy Advisor, Carl Castillo.

The purpose of this item was to receive input on the process for awarding \$300,000.00+ in excise tax rewards. Staff was preparing the next stage in the process which would include council's input. The RFP process could include an opportunity for people to present a proposal. The process could include an interview, and questions. He asked Council if they wanted to consider options to see how they might respond to address these requests.

Council Member Plass asked if this was a legal issue.

City Attorney Tom Carr stated this is Council's right to exercise legislative authority. He did not see it as a legal issue, but, more of an opportunity for Council Members to decide how they wanted to handle it. The issue is more of a policy question than a legal one.

Council Member Ageton asked for clarity on which committee processed the requests; the school committee or Human Services. The City Manager does not have a role in this.

Council Member Morzel stated that it would reside with School Issues Committee and go back to Council for discussion.

City Manager Brautigam stated it is the role of the City Manager to make preliminary decisions on proposals and to issue the RFP.

Mayor Appelbaum offered that the process had been thought through and as long as it all comes to the School Issues Committee it holds a hearing, if the committee wants to make a site visit, they should and the rest of Council could make it clear that they won't get involved at that level. This process could work.

Council Member Jones requested clarity that it's on the RFP level and not the RFI level.

Council Member Ageton registered some concerns and suggested that people stay away during the RFI. One on ones may not be helpful unless a council member chose to visit a site individually.

Mayor Appelbaum stated as long as it all comes to the committee, the committee holds a public hearing and make a site visit if necessary, the rest of council members could make it clear that there is no interest in getting involved at that level until the recommendations are presented by the committee to the council and the city manager, then the recommendation would be considered by council.

C. CITY COUNCIL TECHNOLOGY GUIDELINES

Presentation of this item was provided by I.T. Director Don Ingle.

Technology is vast and personal preference is considered very important. The, bring your own device paradigm was the most likely option, with a reimbursement program in place. The goals were to foster electronic document administration, review, annotation and the sharing of documents, and of course to reduce use of paper.

Communication accessibility and mobility were a priority. The updated legal issue was charter related. The changes are that city provided devices must be used to focus on city business. This is a standard that is reflected in IRS requirements while incidental uses are allowed without increased fee or additional charges. If the city is covering the complete cost of the device, then it is a city owned device. One option would be that a council member could purchase a more costly device but, the city would have a share of ownership of the device. At the end of the council member's term the member would have the option to purchase out the rest of the value of the device. Current city replacement standards include city replacement of a desktop computer every 4 years, a laptop every 3 years and an iPad device every 2 years. It's more cost effective for council members to be under a city plan. If a member is using a personal device they may receive reimbursement for their purchase of that device. Computer-based direct training will be available to all council members.

Council Member Jones asked if one only wants one phone, did it have to be used less than 49% for personal use. Clarity was needed for incidental so the right choices could be made.

City Attorney Tom Carr stated that incidental use is far less than 49% of activity on a device.

Council Member Cowles asked if counting of calls and e-mails would be done by each council member.

City Attorney Tom Carr suggested that while it might be an incidental item during a tax audit, the overall numbers of calls personal and business would likely have to be explained and council should be made aware of that.

*****Other Items*****

City Manager Brautigam announced there would be no meeting on October 24, 2012.

7. **MATTERS FROM THE CITY ATTORNEY** 10:09 PM

None.

8. **MATTERS FROM MAYOR AND MEMBERS OF COUNCIL** 10:09 PM

A. POTENTIAL CALL-UPS

1. USE REVIEW PROPOSAL NO. LUR2012-00035, TO CONVERT EXISTING OFFICE USES IN THE VIEWPOINT OFFICE PARK TO MEDICAL / DENTAL OFFICE USES

No action was taken on this item.

2. REVIEW FOR HEIGHT MODIFICATION AND NONCONFORMING USE REVIEW AT 1162 12TH ST.

No action was taken on this item.

9. **PUBLIC COMMENT ON MATTERS** 10:10 PM.

None.

10. **FINAL DECISIONS ON MATTERS** 10:10 PM.

None.

11. **ADJOURNMENT:** 10:10 PM

There being no further business to come before Council at this time, BY MOTION REGULARLY ADOPTED, THE MEETING WAS ADJOURNED AT 10:10 PM

APPROVED BY:

Matthew Appelbaum,
Mayor

ATTEST:

Alisa D. Lewis,
City Clerk

**CITY OF BOULDER
CITY COUNCIL PROCEEDINGS
October 2, 2012**

1. **CALL TO ORDER AND ROLL CALL: - 6:00 PM**

Deputy Mayor Morzel called the regular October 2, 2012 City Council meeting to order at 6:00 p.m. in Council Chambers.

Those present were: Council Members Becker, Cowles, Jones, Morzel and Plass.

Those absent were: Mayor Appelbaum, and Council Members Ageton, Karakehian and Wilson.

A. Honoring an Outstanding Adult Learner

Deputy Mayor Morzel presented Lilian Bucio with the Janet Driskell Turner Outstanding Adult Learner award for 2012.

Dianna Sherri who founded the adult Learner program 20 years ago was also honored for her many accomplishments and contributions. Due to her retirement in November this was the last Outstanding Adult Learner Award she was to present.

2. **OPEN COMMENT and COUNCIL/STAFF RESPONSE: 6:13 p.m.**

- 1) Anna Smith – Spoke to concerns that a fee on plastic bags could be construed as a tax, a difficulty under TABOR
- 2) Lizzy Dresselhaus – Spoke to the wish for a plastic bag ban rather than a fee
- 3) Katie Li – Spoke of the importance in banning plastic bags
- 4) Lee Pappas – Spoke to the need to increase the number of stores in Boulder County that are affected by a potential plastic and paper bag fee
- 5) Seth Brigham – Read an original poem and indicated he was moving from Boulder.
- 6) Dustin Michaels – Spoke to the need to increase the number of stores impacted by a plastic and paper bag fee as well as the need to continue to look towards a ban
- 7) Gabriel Connors – Spoke in favor of a ban on plastic bags, turning open space into community farms, creating a place where creativity is encouraged, and the benefits of municipilization
- 8) Steve Haymes – Spoke to the multiple uses for plastic shopping bags.

There being no further speakers, Open Comment was closed.

Staff Response:

Council Member Becker spoke to her admiration for the Fairview NetZero club and their dedication to the issue of plastic and paper bags.

Council Member Plass wished Seth Brigham well and best wishes in finding a new home. Council Member Morzel seconded the sentiment.

3. **CONSENT AGENDA: 6:30 PM**

- A. CONSIDERATION OF A MOTION TO APPROVE THE JUNE 5, 2012 CITY COUNCIL MEETING MINUTES**
- B. CONSIDERATION OF A MOTION TO APPROVE THE JULY 17, 2012 CITY COUNCIL MEETING MINUTES**
- C. CONSIDERATION OF A MOTION TO ACCEPT THE SUMMARY OF THE AUGUST 28, 2012 STUDY SESSION ON BOULDER'S ENERGY FUTURE MUNICIPALIZATION EXPLORATION WORK PLAN**
- D. CONSIDERATION OF A MOTION CALLING FOR SPECIAL COUNCIL MEETINGS ON OCTOBER 9 AND OCTOBER 23, 2012**
- E. CONSIDERATION OF RESOLUTION NO. 1115 CONCERNING THE PROPOSED CITY OF BOULDER (ACTING THROUGH ITS WATER UTILITY ENTERPRISE AND SEWER UTILITY ENTERPRISE) WATER AND SEWER REVENUE REFUNDING BONDS, SERIES 2012 IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$32,000,000, AUTHORIZING THE NOTICE OF BOND SALE WITH RESPECT TO SAID 2012 BONDS; PRESCRIBING CERTAIN DETAILS CONCERNING SAID PROPOSED SALE AND SAID 2012 BONDS; APPROVING THE FORM OF A PRELIMINARY OFFICIAL STATEMENT; AND PROVIDING THE EFFECTIVE DATE OF THIS RESOLUTION**
- F. CONSIDERATION OF RESOLUTION NO. 1116 DECLARING THE INTENT OF THE CITY OF BOULDER, COLORADO TO AUTHORIZE THE CITY TO EXECUTE CERTAIN CERTIFICATES RELATING TO ISSUANCE OF BONDS BY THE HOUSING AUTHORITY OF THE CITY OF BOULDER, COLORADO, D/B/A BOULDER HOUSING PARTNERS UNDER A PRIOR DELEGATION BY THE CITY OF ITS AUTHORITY TO ISSUE BONDS USING 2009 PRIVATE ACTIVITY BOND VOLUME CAP IN CONNECTION WITH FINANCING RESIDENTIAL FACILITIES FOR LOW AND MODERATE INCOME FAMILIES AND PERSONS; AND**

CONSIDERATION OF A MOTION TO ADJOURN FROM THE BOULDER CITY COUNCIL AND CONVENE AS THE BOULDER CENTRAL AREA GENERAL IMPROVEMENT DISTRICT BOARD OF DIRECTORS

- G. CONSIDERATION OF RESOLUTION NO. 245 CONCERNING THE PROPOSED CITY OF BOULDER, BOULDER CENTRAL AREA GENERAL IMPROVEMENT DISTRICT, GENERAL OBLIGATION REFUNDING BONDS, SERIES 2012, IN A PRINCIPAL AMOUNT NOT TO EXCEED \$9,000,000; AUTHORIZING THE NOTICE OF BOND SALE WITH RESPECT TO SAID SERIES 2012 BONDS; PRESCRIBING CERTAIN DETAILS CONCERNING SAID PROPOSED SALE AND SAID SERIES 2012 BONDS; APPROVING THE FORM OF A PRELIMINARY OFFICIAL STATEMENT; AND PROVIDING THE EFFECTIVE DATE OF THIS RESOLUTION; AND**

**CONSIDERATION OF A MOTION TO ADJOURN FROM THE BOULDER CENTRAL AREA
GENERAL IMPROVEMENT DISTRICT BOARD OF DIRECTORS AND CONVENE AS THE
BOULDER CITY COUNCIL**

- H. MOTION TO AUTHORIZE THE CITY MANAGER TO SIGN THE MEMORANDUM OF UNDERSTANDING WITH THE UNIVERSITY OF COLORADO FOR THE WILLIAMS VILLAGE WATER RECIRCULATION PROJECT**
- I. CONSIDERATION OF A MOTION TO AUTHORIZE THE CITY MANAGER TO CONVEY EASEMENTS OVER THE CITY-OWNED PROPERTY AT THE NORTHEAST CORNER OF 30TH AND PEARL STREETS, COMMONLY REFERRED TO AS “POLLARD FRIENDLY MOTORS”, AND WITHIN FUTURE JUNCTION PLACE RIGHT-OF-WAY TO XCEL ENERGY FOR THE PLACEMENT OF GAS AND ELECTRIC UTILITY MAINS**
- J. INTRODUCTION, FIRST READING AND CONSIDERATION OF A MOTION TO ORDER PUBLISHED BY TITLE ONLY ORDINANCES NOS. 7866, 7867, 7868, AQND 7869 AMENDING TITLE 9, “LAND USE CODE,” B.R.C. 1981, TO UPDATE REGULATIONS GOVERNING THE FLOODPLAINS AND SETTING FORTH RELATED DETAILS**
- K. INTRODUCTION, FIRST READING AND CONSIDERATION OF A MOTION TO ORDER PUBLISHED BY TITLE ONLY ORDINANCE NO. 7870 AMENDING TITLE 6, “HEALTH, SAFETY AND SANITATION”, B.R.C. 1981, REGARDING THE ESTABLISHMENT OF A FEE ON ALL DISPOSABLE PLASTIC AND PAPER CHECKOUT BAGS DISTRIBUTED AT FOOD STORES**

Council Member Plass asked about the city partnering with local businesses to provide reusable, environmentally friendly bags, citing the desire to keep the business local.

Council Member Plass moved, seconded by Council Member Becker, to approve Consent Agenda items 3A through 3K. The motion carried 5:0 with Council Members Ageton, Appelbaum, Karakehian and Wilson absent. Vote was taken at 6:55 PM.

- 4. **POTENTIAL CALL- UP CHECK IN**
No interest was expressed in calling-up items 8A – 1 & 2.

ORDER OF BUSINESS

- 5. **PUBLIC HEARINGS**

CONSIDERATION OF THE FOLLOWING ITEMS RELATING TO THE 2013 BUDGET: 7PM

- a. **PUBLIC HEARING ON THE PROPOSED 2013 CITY OF BOULDER BUDGET; AND**
- b. **INTRODUCTION, FIRST READING, AND CONSIDERATION OF A MOTION TO ORDER PUBLISHED BY TITLE ONLY ORDINANCE NO. 7871 THAT ADOPTS A BUDGET FOR THE CITY OF BOULDER, COLORADO, FOR THE FISCAL YEAR COMMENCING ON THE FIRST DAY OF JANUARY 2013 AND ENDING ON THE LAST DAY OF DECEMBER 2013, AND SETTING FORTH DETAILS IN RELATION THERETO; AND**
- c. **INTRODUCTION, FIRST READING AND CONSIDERATION OF A MOTION TO ORDER**

- d. **INTRODUCTION, FIRST READING AND CONSIDERATION OF A MOTION TO ORDER PUBLISHED BY TITLE ONLY ORDINANCE NO. 7873 THAT APPROPRIATES MONEY TO DEFRAY EXPENSES AND LIABILITIES OF THE CITY OF BOULDER, COLORADO, FOR THE 2013 FISCAL YEAR OF THE CITY OF BOULDER, COMMENCING ON THE FIRST DAY OF JANUARY 2013, AND ENDING ON THE LAST DAY OF DECEMBER 2013, AND SETTING FORTH DETAILS IN RELATION THERETO; AND**
- e. **INTRODUCTION, FIRST READING AND CONSIDERATION OF A MOTION TO ORDER PUBLISHED BY TITLE ONLY ORDINANCE NO. 7874, THAT AMENDS CHAPTERS 3-8, 3-9 AND 4-20 B.R.C. 1981 CHANGING CERTAIN FEES, AND SETTING FORTH DETAILS IN RELATION THERETO. 6:55 PM**

City Manager Brautigam introduced the 2013 budget reviewing several issues raised at the previous study session and to questions asked following that study session. Chief Financial Officer Bob Eichen presented an overview of the revenue trends and spoke to the need to increase the city reserves to 15%.

There being no speakers the public hearing was closed.

Council Member Plass moved seconded by Council Member Becker, to introduce and order published by title only Ordinance No. 7871 that adopts a budget for the City of Boulder, Colorado, for the fiscal year commencing on the first day of January 2013 and ending on the last day of December 2013, and setting for details in relation thereto. The motion carried 5:0. Council Members Ageton, Appelbaum, Karakehian and Wilson absent. The vote was taken at 7:58 PM.

Council Member Plass moved seconded by Council Member Becker, to introduce and order published by title only Ordinance No. 7872 that establishes the 2012 City of Boulder property tax mill levies which are to be collected by the County of Boulder, State of Colorado, within the City of Boulder in 2013 for the payment of expenditures by the City of Boulder, County of Boulder, State of Colorado, and setting forth details in relation thereto. The motion carried 5:0. Council Members Ageton, Appelbaum, Karakehian and Wilson absent. The vote was taken at 7:58 PM.

Council Member Plass moved seconded by Council Member Becker, to introduce and order published by title only Ordinance No. 7873 that appropriates money to defray expenses and liabilities of the City of Boulder, Colorado, for the 2013 fiscal year of the City of Boulder, commencing on the first day January 2013, and ending on the last day of December 2013, and setting for details in relation thereto. The motion carried 5:0, Council Members Ageton, Appelbaum, Karakehian and Wilson absent. The vote was taken at 7:58 PM.

Council Member Plass moved seconded by Council Member Becker, to introduce and order published by title only Ordinance No. 7874 that amends Chapters 3-8, 3-9 and 4-20 B.R.C. 1981 changing certain fees, and setting forth details in relation thereto. The motion carried 5:0, Council Members Ageton, Appelbaum, Karakehian and Wilson absent. The vote was taken at 7:58 PM.

B. CONSIDERATION OF A MOTION TO AUTHORIZE THE CITY MANAGER TO SIGN THE INTERGOVERNMENTAL AGREEMENT BETWEEN THE CITY OF BOULDER AND BOULDER COUNTY FOR THE CONSTRUCTION OF A TRAIL CONNECTING THE OPEN SPACE AND MOUNTAIN PARKS COTTONTAIL TRAIL TO THE BOULDER RESERVOIR TRAIL SYSTEM, SUBSTANTIALLY IN THE FORM NOW BEFORE THE COUNCIL. 8:00PM

Presentation of this item was provided by Jim Reeder, Division Manager from Open Space and Mountain Parks. He provided an oversight of how a simple trail became quite complex and took several years to accomplish.

There being no speakers the public hearing was closed.

Council Member Becker moved, seconded by Council Member Jones, to authorize the city manager to sign the intergovernmental agreement between the City of Boulder and Boulder County for the construction of a trail connecting the Open Space and mountain Parks Cottontail Trail to the Boulder Reservoir trail system, substantially in the form now before the council. The motion carried 5:0, Council Members Ageton, Appelbaum, Karakehian and Wilson absent. The vote was taken at 8:20 p.m.

6. MATTERS FROM THE CITY MANAGER - None
7. MATTERS FROM THE CITY ATTORNEY - None
8. MATTERS FROM MAYOR AND MEMBERS OF COUNCIL

A. POTENTIAL CALL-UPS

- 1) **USE REVIEW TO LOCATE A PRIVATE DAYCARE CENTER AND CONSTRUCT A NEW PLAYGROUND AT THE ST. PAUL'S UNITED METHODIST CHURCH, 4215 GRINNELL**

No action was taken on this item

- 2) **USE REVIEW AT 205 CANYON TO CONVERT AN EXISTING 8,250 S.F. BUILDING (FORMERLY THE WATERSHED SCHOOL) FOR PROFESSIONAL OFFICES**

No action was taken on this item.

****Other Matters****

B. Council Members Plass and Jones raised the idea of Co-hosting a Local Food summit with the County, CU, BVSD and local farmers.

The city manager was asked to consider what the scope and potential impact to city resources of an event of this nature would be.

9. PUBLIC COMMENT ON MATTERS - none

10. FINAL DECISIONS ON MATTERS - none

11. ADJOURNMENT - 8:43 p.m.

There being no further business to come before Council at this time, BY MOTION REGULARLY ADOPTED, THE MEETING WAS ADJOURNED ON October 2, 2012 AT 8:43 p.m.

APPROVED BY:

ATTEST:

Alisa D. Lewis,
City Clerk

Matthew Appelbaum,
Mayor



**CITY OF BOULDER
CITY COUNCIL AGENDA ITEM**

MEETING DATE: November 15, 2012

AGENDA TITLE: Consideration of a motion to change the regularly scheduled meetings in January to Tuesday, January 8 and Tuesday, January 22 at 6:00 PM

PRESENTER/S

Jane S. Brautigam, City Manager

Paul J. Fetherston, Deputy City Manager

Alisa D. Lewis, City Clerk and Director of Support Services

EXECUTIVE SUMMARY

Due to the holiday schedule in January, it was recommended that the meetings in January of 2013 be changed. The recommendation was to have the first meeting on Tuesday, January 8 and the second meeting on Tuesday, January 22 to allow for the 10 day publication requirement for any ordinances. This would still allow for two study sessions to be scheduled in January.

STAFF RECOMMENDATION

Suggested Motion Language:

Staff requests council consideration of this matter and action in the form of the following motion:

Motion to change the regularly scheduled meetings in January to Tuesday, January 8 and Tuesday, January 22.

**CITY OF BOULDER
CITY COUNCIL AGENDA ITEM
STUDY SESSION SUMMARY FROM OCTOBER 9 AND 23, 2012**

MEETING DATE: November 15, 2012

AGENDA TITLE: Consideration of a motion to accept the October 9 and October 23, 2012 Study Session Summary regarding possible revisions to the Code of Conduct and the Financial Disclosure Regulations.

PRESENTERS:

Tom Carr, City Attorney
David Gehr, Deputy City Attorney

EXECUTIVE SUMMARY:

The purpose of this agenda item is to seek council approval of the following summary of the October 9 and October 23, 2012 study sessions on ethics and financial reporting. Council scheduled these study sessions to provide a forum for discussion of potential changes to the city's ethics rules and clarification of the financial reporting requirements. The October 9 session was necessarily curtailed when the discussion of the Daily Camera building call-up extended beyond the time originally allotted. The council used the time on October 9 to identify additional issues council wished to address at the October 23 meeting. On October 23, 2102, council addressed all of the issues identified with the Code of Conduct giving staff direction to bring back preliminary draft ordinances.

STAFF RECOMMENDATION:

Staff recommends approval of the summary of the October 9 and 23 study sessions regarding the Code of Conduct and financial reporting regulations.

Suggested Motion Language:

Staff requests council consideration of this matter and action in the form of the following motion:

Motion to accept the study session summary of the October 9 and October 23, 2012 study sessions, included as **Attachment A**.

BACKGROUND: The background information for this topic can be found in 2012 Study Sessions for October 23, at [Study Session Packet](#).

NEXT STEPS:

Based on input at the study sessions, staff will:

1. Draft a proposed ordinance for council consideration amending the Code of Conduct to:
 - a. Include as criminal violations the most serious ethical violations;
 - b. Establish a list of expectations which all council members, board and commission members and city employees should meet; and
 - c. Include a list of behaviors that would not meet the expectations.

2. Draft a proposed ordinance for council consideration to change the financial reporting requirements to address issues such as the separation of incumbent reporting from candidate reporting, the reporting date and the reporting period.

ATTACHMENT A – October 9 and 23, 2012 Study Session Summary

October 9 & 23, 2012
City Council Study Session Summary

PRESENT:

City Council: Suzy Ageton, Matt Appelbaum, K.C. Becker, Macon Cowles (October 9 only), Suzanne Jones, George Karakehian, Lisa Morzel, Tim Plass and Ken Wilson.

Staff: Jane Brautigam (City Manager), Tom Carr (City Attorney), David Gehr (Deputy City Attorney)

PURPOSE:

The purpose of the study session was for council to discuss potential changes to the city's Code of Conduct and financial reporting regulations.

SUMMARY:

October 9, 2012

Tom Carr presented to council a list of potential topics identified in the study session memorandum and sought council input regarding whether these were appropriate topics. Council input was as follows:

- Individuals should be informed of ethical and reporting requirements before they get on the City Council or boards or commissions.
- Council should discuss reporting of retirement funds.
- Staff should look at how other cities regulate communications by members of boards and commissions.
- Criminal offenses should be charged and the current immunity provision would not be appropriate for a serious offense.
- There should be a regular council process to discuss a perceived conflict of interest in a non-political and non-confrontational way.
- Council should consider whether there is need to report investments held in mutual funds when the council member has no control over which assets are held in the mutual fund.
- Travel reimbursement rules should be addressed.
- Council should consider regulation of lobbyists as part of another legislative process.
- Reporting regulations should not be so cumbersome or intrusive that people would be discouraged from running for council.

October 23, 2012

On October 23, council had a wide-ranging and productive discussion. While there were areas of disagreement, council appeared to be in agreement on a number of important areas. The major themes were as follows:

1. Criminal sanctions should be reserved for true criminal behavior, such as profiteering or bribery. The ethics code would be more effective if it provided more detailed guidance under a clear conceptual framework.
2. We should not refer to ethics rules as being aspirational. The ethics code should provide a floor of acceptable behavior. The people have a right to expect that officials and employees behave in a manner consistent with community expectations. The ethics rules should incorporate these expectations.
3. Council members should feel free to raise and discuss ethical issues in an open and non-confrontational manner. The public is usually not aware of the reasons for a council member's recusal. Most people would likely be impressed with the care that council members take to avoid conflicts of interest. There will be a challenge to avoid ethical concerns being raised for political reasons. This can only be avoided if council develops a culture that accepts such a discussion as a normal part of the council's business and not as something unusual or out of the ordinary.
4. Members of boards and commissions should be able to express their personal opinions before the council and other boards and commissions. There should be a different rule when members are participating in quasi-judicial matters.
5. It would not be practicable to consider board appointments to be "transactions" for the purpose of evaluating conflicts of interest. Council members often have worked with or been associated with potential appointees. Boards and commissions appointments are a form of public service with not much of a benefit being conferred. Council members should only recuse themselves from the appointment process if their relationship to an applicant is so close that the council member cannot be fair in evaluating other candidates.
6. There was no consensus on council regarding the ability to accept tickets to athletic events such as football games. Accepting such tickets could be viewed in the community as a "perk" being afforded to council members. There was also a concern that council members could be viewed as being too close to the administration at the University of Colorado. On the other hand, accepting a ticket to a reception and the opportunity to watch a game from the university's suite would give council members the opportunity to show their support for the city's largest employer. It would also give council members an opportunity to network with leaders at the university and in the community.
7. The current gift rules only permit acceptance of travel reimbursement from governments or government-related organizations. The city from time to time receives invitations from non-profit organizations that are not government-related. This travel is beneficial for the city. The rules should be broadened to

allow for this type of travel. The limit should, however, be carefully drawn, to not allow travel funded by trade associations or for-profit companies.

Next Steps

Council directed staff to draft proposed ordinances to amend the Code of Conduct and the rules for financial disclosure. The ordinances will be presented as agenda items under Matters from the City Attorney. Council will provide feedback. The ordinances will be revised to be consistent with council feedback and presented to the Council Agenda Committee for scheduling in the legislative process. Staff plans to have ordinances ready for council consideration by the end of the first quarter of 2013.



**CITY OF BOULDER
CITY COUNCIL AGENDA ITEM**

MEETING DATE: Nov. 15, 2012

AGENDA TITLE: Consideration of a motion to approve a resolution to provide fire protection services to certain annexed properties previously served by the Boulder Rural Fire Protection District.

PRESENTER:

Thomas A. Carr, City Attorney

EXECUTIVE SUMMARY:

Any property annexed to the city of Boulder is served by the city's fire department. Prior to annexation, the properties identified in Attachment A were protected and taxed by the Boulder Rural Fire Protection District. The properties are now protected and taxed by the City of Boulder. In order to protect these properties from double taxation, the City Attorney's Office will petition the court for an order amending the Boulder Rural Fire Protection District's boundaries to exclude these properties. In order to support our petition to the court, a resolution (Attachment B) from council providing for fire protection by the City of Boulder Fire Department is necessary.

STAFF RECOMMENDATION:

Suggested Motion Language:

Staff requests council consideration of this matter and action in the form of the following motion:

Motion to adopt a resolution to provide fire protection services to certain annexed properties previously served by the Boulder Rural Fire Protection District.

COMMUNITY SUSTAINABILITY ASSESSMENTS AND IMPACTS:

- Economic: This resolution implements agreements between the city and surrounding fire districts. Upon annexation of properties by the city, the fire district that previously served particular properties is released and the city assumes the first responder obligations for fire protection. A court action supported by a resolution by City Council is required to remove the mil levy of the fire district from the property. Following that court action, property owners of the newly annexed properties are relieved of their obligation to pay the fire district for fire protection services. That provides an economic benefit for those property owners.
- Environmental: Clarifying the first responder for fire protection purposes for properties newly annexed to the city eliminates the need for two different fire agencies to respond to the same location. This clarity of responsibility should make fire fighting activities more efficient and thereby potentially minimize environmental (as well as life and safety) damage.
- Social: As newly annexed properties are integrated into the city, it is important that they be provided the full range of city services. The resolution helps accomplish that objective while also preventing the double taxation of residents of newly annexed properties.

OTHER IMPACTS:

- Fiscal: Nothing additional anticipated. The city is presently providing such protection and has done so since the parcels were annexed and the fire department has sufficient reserves to continue these services.
- Staff time: No significant impact

BACKGROUND: By Ordinance Nos. 7774 and 7806, two properties were annexed into the city. Prior to the annexation these properties were provided fire protection and taxed for that protection by the Boulder Rural Fire Protection District. Since their annexation, the properties are fire protected and taxed by the City of Boulder. The annexed properties in question are identified in Attachment A and Attachment B, Exhibit 1.

ATTACHMENTS:

- A – List of Annexed Properties
- B – Resolution

ATTACHMENT A

2012 EXCLUSIONS FOR BOULDER RURAL
FIRE PROTECTION DISTRICT

Applicant/Owner	Address	Tax ID No.	Actual Value (In \$)	Ord. No.	Date Recorded	Reception No.
Ray Harper and June A. Paquette Trustees of	3015 Kalmia	R0029676	\$119,000	7806	9/27/12	03255364
Harper Hollow LLC	3015 Kalmia	R0600464	\$1,975,799	7806	9/27/12	03255364
1000 Rosewood LLC	1000 Rosewood	R0033848	\$173,151	7774	1/31/2011	03130237

RESOLUTION NO. ____

A RESOLUTION TO PROVIDE FIRE PROTECTION SERVICES
TO CERTAIN ANNEXED PROPERTIES PREVIOUSLY
SERVED BY THE BOULDER RURAL FIRE PROTECTION
DISTRICT.

THE CITY COUNCIL OF THE CITY OF BOULDER, COLORADO, FINDS AND
RECITES THAT:

The City of Boulder has annexed certain properties, which properties were formerly provided with fire protection by the Boulder Rural Fire Protection District (“District”);

The city can provide fire protection to those properties;

The city is presently providing such protection, and has done so since the properties were annexed;

The District will not be harmed by exclusion of those properties from its jurisdiction; and

The owners of the properties will be harmed by paying property taxes to both the city and the District for the same fire protection services.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY
OF BOULDER, COLORADO, that:

Section 1. The City of Boulder, Colorado, will provide fire protection service to the properties specified in Exhibit 1, which service has previously been provided by the Boulder Rural Fire Protection District. Because this protection is currently being provided by the city, this resolution will necessarily be, and continue to be, effective on January 1, 2013.

ADOPTED this 15th day of November 2012.

Mayor

ATTEST:

City Clerk

EXHIBIT 1
 2012 EXCLUSIONS FOR BOULDER RURAL
 FIRE PROTECTION DISTRICT

Applicant/Owner	Address	Tax ID No.	Actual Value (In \$)	Ord. No.	Date Recorded	Reception No.
Ray Harper and June A. Paquette Trustees of	3015 Kalmia	R0029676	\$119,000	7806	9/27/12	03255364
Harper Hollow LLC	3015 Kalmia	R0600464	\$1,975,799	7806	9/27/12	03255364
1000 Rosewood LLC	1000 Rosewood	R0033848	\$173,151	7774	1/31/2011	03130237



**CITY OF BOULDER
CITY COUNCIL AGENDA ITEM**

MEETING DATE: November 15, 2012

AGENDA TITLE: Consideration of a motion approving the proposed 2013 budget, operating plan and board nominations for the Downtown Boulder Business Improvement District.

PRESENTER/S

Sean Maher, Executive Director, Downtown Boulder Business Improvement District
Dave Adams, Deputy Director, Downtown Boulder Business Improvement District

EXECUTIVE SUMMARY

The purpose of this item is to approve the 2013 budget and operating plan of the Downtown Boulder Business Improvement District (BID) as per state statute, and to approve nominations for three board positions as per city ordinance.

Budget Process: The budget process for the BID began in July 2012. Staff consulted with committees to review 2012 programming and submit proposed 2013 budgets by Sept. 13, 2012. On Oct. 11, a proposed budget was distributed to the BID board for review along with a staff recommendation.

The total City of Boulder allocation to the 2013 BID budget is \$63,204.

A final draft, along with the nominating committee report, was approved at the BID board meeting on Oct. 11, 2012. There was no public comment regarding the budget. The 2013 budget was approved at 4.73 mills by a majority vote, and the nominating committee recommendations were approved and accepted unanimously.

Nominating process: There are three, 3-year expiring terms, and an alternate board position. In September 2012, a nominating committee of the following representatives from the district met: Stephen Sparn, BID Board Chair, Andy James, DBI Board Chair, John Koval, DMC Board Chair, and Mary Ann Mahoney, Convention and Visitor's Bureau Executive Director. Beginning in September 2012, BID Board seats were publicized via email blast to 4500

subscribers and also press releases to both the Daily Camera and Boulder County Business Report. One sitting board member and seven newcomers applied for the three board positions. The committee recommended the one incumbent for an additional three year term, two new board members for three year terms, and recommended an alternate who will join the board in the event of a resignation.

STAFF RECOMMENDATION

Staff recommends approval of the 2013 Downtown Boulder Business Improvement District budget and operating plan, and the nominations of Barclay Eckenroth, ShipCompliant; Gannon Hartnett, Patagonia; David Workman, Unico Properties, for the Downtown Boulder Business Improvement District Board of Directors and Kiva Stram, Wells Fargo Bank, as the alternate to the board.

Suggested Motion Language:

Staff requests council consideration of this matter and action in the form of the following motion: motion to approve the proposed 2013 budget, operating plan and board nominations for the Downtown Boulder Business Improvement District.

COMMUNITY SUSTAINABILITY ASSESSMENTS AND IMPACTS

- **Economic:** The Downtown Boulder Business Improvement District has a direct impact on the economy of Boulder. The BID organizes and sponsors promotions designed to increase sales and to raise awareness of downtown as a shopping and dining district. So far in 2012, downtown accounts for 12% of retail sales taxes collected. In addition, the BID works with property owners and brokers to increase occupancy rates at both the retail and office level. Both office and retail vacancy rates are currently near three percent.
- **Environmental:** Downtown Boulder has been a leader in converting all of our events and festivals to zero waste. This includes partnerships with Eco Cycle, Eco Products, Boulder County and the City of Boulder. The BID partners with the Downtown Management Division on promoting the Employee EcoPass program. We also actively promote 10 for Change, PACE and the Energy Smart programs to our downtown businesses.
- **Social:** Since downtown is the primary central gathering place of Boulder, the entire community benefits from a cleaner, safer, vibrant downtown environment. Community events sponsored by the BID take place every month and target a wide variety of community segments from athletes to art lovers. Family focused events take place in all four seasons of the year.

OTHER IMPACTS

- **Fiscal:** The City contribution is fee for service allocations from the Downtown Management Division for visitor center usage, collateral (maps), ambassador services, maintenance and marketing services.

BOARD AND COMMISSION FEEDBACK

At its monthly board meeting on Oct. 11, 2012 the Downtown Boulder Business Improvement District Board of Directors voted to adopt the 2013 budget and slate of directors.

PUBLIC FEEDBACK

As required by law, a public hearing will be held on November 8, 2012 prior to the regular Board of Directors Meeting for the Business Improvement District. The public hearing will be noticed ahead of time as required.

BACKGROUND

The Downtown Boulder Business Improvement District was created pursuant to the “Business Improvement District Act” part 12 of article 25 of title 31, Colorado Revised Statutes. Sponsored by a coalition of property owners and business owners and Downtown Boulder, Inc., in cooperation with the City of Boulder, the Downtown Boulder Business Improvement District (BID) was created to provide enhanced or otherwise unavailable services, facilities and improvements to commercial properties located in downtown Boulder. Operational since January 2000, the BID provides services above and beyond those provided by the city, including, but not limited to, marketing, communications, events, maintenance, business assistance and downtown ambassadors. More background info is available in Attachment A.

ANALYSIS

The operating plan in **Attachment A** outlines both the service plan for 2013 and the accomplishments for 2012. The nominating committee report is part of the operating plan. The Board of Directors for the Business Improvement District accepted the report from the nominating committee. The nominating process is outlined in the Executive Summary of this report.

The City Council is requested to approve the 2013 Operating Plan, Budget and Nominating Committee report as submitted by the board of directors of the Downtown Boulder Business Improvement District. It is representative of the issues and priorities of the rate payers and stakeholders it affects.

ATTACHMENTS

- A. Operating plan and Budget for 2013 including nominating committee report
- B. Map of the Downtown Boulder Business Improvement District boundaries

**DOWNTOWN BOULDER BUSINESS IMPROVEMENT DISTRICT
DISTRICT OPERATING PLAN 2013**

SECTION 1: GENERAL SUMMARY

Creation:

The Downtown Boulder Business Improvement District was created pursuant to the “Business Improvement District Act,” part 12 of article 25 of title 31, Colorado Revised Statutes.

Non-duplication of Services, Facilities and Improvements:

The services, facilities and improvements to be provided by the Downtown Boulder Business Improvement District are not intended to duplicate the services, facilities and improvements provided by the City of Boulder within the boundaries of the district. The Downtown Boulder Business Improvement District (BID) was created to provide enhanced or otherwise unavailable services and resources for owners of real and personal property (excluding agricultural and residential) located in downtown Boulder.

Service Area:

Approximately 34 blocks contiguous with the Central Area General Improvement District (CAGID) plus additional blocks to the east and west, bounded roughly by 8th Street to the west, Spruce Street to the north, 21st Street to the east and Arapahoe Avenue to the south. The BID may be expanded in the future upon the request of the property owners. Pursuant to statute, the district shall contain only that taxable real and personal property within said boundaries, which is NOT classified as either agricultural or residential. A map of the district service area is attached to this operating plan.

Powers, Functions and Duties:

The Downtown Boulder BID will have the authority through its board of directors to exercise all the powers, functions and duties specified in this Business Improvement District Act except as expressly stated in this operating plan.

Board of Directors:

The Board of Directors of the BID consists of nine electors of the district appointed by the City Council of the City of Boulder. Members appointed to the board represent specific geographic areas and a cross section of interests in the district, including large and small property and business owners. Each director serves a three-year term. Terms are staggered with three expiring every year. Four representatives from the City of Boulder serve as ex-officio members and liaisons to the board, including the City Manager, two City Council members and the Director of the Downtown Management Division & Parking Services.

Services:

The Downtown Boulder BID provides services in three major areas: marketing and promotion, service and maintenance, and economic vitality. The service plan for FY2013 includes the continuation of these services as well as development of close partnerships with Downtown Boulder, Inc. and the Downtown Management Division to provide a strong identity for downtown. These partners also work together to communicate with downtown constituents, plan and administer programs and encourage economic vitality and community involvement.

Method of Funding:

The Downtown Boulder BID has three sources of revenue:

- Levy of ad valorem tax on taxable real and personal property, estimated to be between 3.5 and 4.8 mills (to be finalized in December 2012),
- Fee for service from the City's general fund and meter revenue budget and
- Contract with Downtown Boulder, Incorporated (DBI) for staffing, administration and event production.

Budget:

Total proposed district budget for FY2013 is \$1,273,649. Approximately \$1,056,545 in revenue is generated by BID property taxes and specific ownership taxes; \$63,204 is fee for service from the City of Boulder, and \$135,000 in contract services from DBI. \$18,900 is generated from earned income and other miscellaneous sources.

Legal Restrictions:

BID assessments are subject to state constitutional limitations – a vote by ratepayers is required to increase revenue over allowed limits.

Term:

The district will terminate 20 years from January 1, 2010, unless a petition is filed to continue it before that date.

Existing City Services:

The City of Boulder will continue to document existing city services to ensure that service levels currently provided by the city do not decrease.

SECTION 2: SERVICE PLAN

Marketing and Promotion

The Downtown Boulder Business Improvement District (BID) is responsible for the marketing & promotion of the district to both consumer and investor markets. This includes, but is not limited to promotions, advertising, image campaign, branding, banners, brochures, printed collateral materials, newsletters, public relations and market research.

2012 Accomplishments

- Downtown Boulder's website (BoulderDowntown.com) remained a strong information portal for business listings and events. Google Analytics shows 206,132 unique visitors in 2012. This year, there was a 23% increase in user sessions over 2011. Total page views increased 34% from 2011.
- Outgoing referrals from the website to specific downtown businesses increased from 160,000 links to 658 businesses a year (averaging 438 referrals a day) in 2011 to 230,977 links to 738 businesses a year (averaging 630 referrals a day) in 2012.
- Traffic to the mobile site continued an upward growth pattern with 212,597 sessions in 2012 up from 95,896 in 2011. Page views went from 321,414 sessions in 2011 to 646,083 in 2012. Average time on the mobile site went from six minutes to nine minutes.
- Maintained bi-weekly newsletter open rate at 32.5% (compared to an industry standard of 17.4%).
- Since 2011, Facebook 'Likes' have increased from 6,282 to 9,648. In 2012 (to date) the Downtown Boulder Facebook page has 831 people engaging weekly and 73,148 total impressions weekly. Twitter has increased from 6,482 followers in 2011 to 8,848 to date.
- Downtown Boulder's Official Guide Book remains a popular source of information. In 2012, 40,000 copies were printed. Due to demand from the Visitor Information Center at DIA and the Cherry Creek Mall, all 40,000 copies will be distributed before year end.
- Through participation in a Visit Denver leads program, the Downtown Boulder Guide Book has been mailed worldwide to 5,500 addresses this year and an electronic version has been emailed to an additional 4,100 people.
- Secured morning show interview on 9News to celebrate the Pearl Street Mall's 35th Anniversary – highlighting downtown businesses.
- Increased business participation in Fashion's Night Out (FNO) from 23 businesses in 2011 to 33 businesses in 2012. Advertising / PR efforts on this event was also increased to help drive traffic directly into participating retailers. Several businesses

reported phenomenal sales including Barbara & Company (up 35% over last year's event) and Chelsea who reported their strongest sales day ever.

- Downtown Boulder Gift Card sales increased in 2012 14% (\$23,000) for the January-August period over 2011 sales. Total sales for 2012 are expected to exceed \$300,000.

Plan for 2013

Downtown Boulder's paid advertising efforts in 2013 will look at niche publication marketing opportunities. Efforts will be focused to attract the audience who already has a vested interest in things downtown Boulder offers (foodies, outdoor enthusiasts, fashionistas, etc.) Focus will be placed on what makes downtown Boulder unique – things/places that you can't get anywhere else to answer the questions: Why should I (consumer) visit downtown Boulder? What do you have that I can't get closer to home?

The marketing / communications plan will continue to focus on a traditional and nontraditional media mix with a slightly heavier emphasis on nontraditional including: Pandora.com, DenverPost.com and more.

- Focus on brand development. Promote what is truly unique.
- Update website descriptions, Downtown Boulder Guidebook and other print collateral to highlight key assets of downtown.
- Stronger graphics & campaigns with nontraditional media outlets who have proven to be an asset to the marketing mix (Pandora.com, DenverPost.com, mobile sites, etc.)
- Continued advertising in strong traditional media outlets including the Daily Camera, 9News and 5280 magazine.
- Event sitelets for key DBI events (give Taste of Pearl, Open Arts Fest, Fall Fest & Light Up the Holidays their own websites).
- Continued growth of business participation in Sidewalk Sales, Fashion's Night Out and Small Business Saturday.
- Increase support of tech related activities including Boulder Startup Week.
- The board has approved a new staff position in 2013 to handle an increase in promotional events and programs including a Boulder Restaurant Week and revitalizing the Downtown Race Series.

Operations Service and Maintenance

One of the BID's primary missions is working with Boulder Police, Parks staff and the Downtown Management Division to keep downtown clean and safe for residents, tourists and employees.

2012 Accomplishments

- Distributed 200 free flats of flowers to 82 businesses during Spring Green 2012 downtown beautification program.
- Removed 894 graffiti tags from downtown buildings, benches, dumpsters and poles from January through October 2012.
- Assisted in planning and coordinating efforts of the new Ready To Work team.
- Received \$1000 grant from Keep America Beautiful and installed 10 additional ash receptacles by hospitality venues.
- Increased seasonal holiday lighting budget and added major LED lighting displays to east and west ends of the mall.
- Worked with County staff to expand seasonal lighting on the Courthouse lawn.
- Reduced contractor expenses and increased operations personnel utilization.
- Expanded scope of BID streetscape ambiance to include alley maintenance and dumpster graffiti.
- Designed, produced, and installed new East/West End banners.
- Improved off mall landscaping @ 10th, 16th, 19th and Pearl streets.
- Actively participated in planning efforts for 15th Street and West Pearl streetscape projects.

Plan for 2013

- Assist with streetscape enhancements for both west Pearl and 15th Street.
- Increase Off Mall landscaping and planting.
- Work more closely with the Ready to Work crews to maximize their impact downtown.
- Re-paint frequently graffiti tagged areas with single color of paint.
- Augment BPD security with BID staff.
- Increase summer police presence during peak traffic months.
- Develop plan for alley maintenance and cleaning in anticipation of greatly increased presence of smokers.
- Expand scope of BID operations with 2 full time staff members.
- Partner with Bridge House and BPD on a proactive approach to discourage disruptive and aggressive behavior in the downtown core.
- Maintain BPD service calls at current levels.

Economic Vitality

Executive Director, Sean Maher works closely with City staff, Council, property owners and employers to maintain a thriving business sector downtown. Major goals include:

1. Expanding our limited supply of office space to address an acute shortage

2. Maintaining a strong and unique retail/restaurant tenant mix so downtown remains as a favorite destination for locals, visitors and employers.
3. Supporting entrepreneurial tech and creative class companies to maintain the “entrepreneurial density” that is critical to continued vitality.

2012 Accomplishments

- Worked closely with the architect and developer at 11th and Pearl to refine and improve the aesthetics of the proposed redevelopment. Also worked with Karlin Real Estate on tenant recruitment efforts for retail tenants.
- Convened a “Real Estate Summit” to bring downtown property owners and tech entrepreneurs together to seek solutions for the space shortage downtown.
- Met with tech entrepreneurs and CEOs monthly to work on ways that the BID can support existing firms.
- Sponsored the 3rd annual business plan competition with the Leeds School of Business at CU to identify new business concepts for downtown.
- Assisted five prospective retail/restaurant tenants in their search for downtown space.
- Worked with multiple property owners to actively recruit Violet Crown Cinema
- Partnered on business outreach with the City’s Economic Vitality team and the BEC.
- Sponsored the US Pro Cycling Challenge and served as active member of the Executive Board for the Local Organizing Committee.
- Partnered with the City of Boulder and the Convention and Visitors Bureau on the semi-annual Pearl Street intercept survey to gauge downtown user attitudes toward retail mix, parking, events, marketing, safety and other key issues.

Plan for 2013

- Intensify retention efforts to assist tech firms in securing adequate downtown office space and maintain downtown Boulder as a successful entrepreneurial hub.
- Refine and expand business recruiting efforts for both retail and office tenants downtown.
- Strengthen partnership with CU and grow the annual business plan competition.
- Continue business outreach efforts with the Chamber, City and BEC.
- Partner with DMD and the Civic Use Task Force on completing a successful plan for the Civic Use Pad.
- Work closely with downtown property owners and City staff on key projects that will add to our downtown office inventory.

SECTION 3: BOARD & NOMINATING COMMITTEE REPORT

The current board members, terms and the geographic areas they represent are:

Term expires December 31, 2012

Barclay Eckenroth, ShipCompliant, At Large
Jake Puzio, CityWide Banks, Pearl Street Mall
Wendy Reynolds, Vectra Bank, East End

Term expires December 31, 2013

John Mehaffy, Attorney, Pearl Street Mall
Patty Ross, Clutter Consignment Shop, West End
Leonard Thomas, Urban West Studio Architecture, At-Large

Term expires December 31, 2014

Marc Ginsberg, Flatirons Technology Group, West End
Fern O'Brien, O'Brien & Zender, PC, At-large,
Stephen Sparn, Stephen Sparn Architects, PC, At-Large

Ex-Officio Liaisons

Jane Brautigam, City Manager
Suzanne Jones, City Council
Tim Plass, City Council
Molly Winter, DUHMD

In September 2012, BID Board seats were publicized via email blast to 4500 subscribers and also press releases to both the Daily Camera and Boulder County Business Report. One sitting board member and seven newcomers applied for the three board positions. A nominating committee of the following representatives met: Stephen Sparn, BID Board Chair, Andy James, DBI Board Chair, John Koval, DMC Board Chair, and Mary Ann Mahoney, Convention and Visitor's Bureau Executive Director. The committee's recommendations are as follows:

Appoint to fill three-year terms beginning January 2013 and ending December 31, 2015:

Barclay Eckenroth, At-large
ShipCompliant
1877 Broadway, Suite 703
Boulder, CO 80302

Gannon Hartnett, Pearl Street Mall
Patagonia
1212 Pearl Street
Boulder, CO 80302

David Workman, East End
Unico Properties
1426 Pearl Street
Boulder, CO 80302

Appoint as Alternate:

Kiva Stram
Wells Fargo Bank
1242 Pearl Street
Boulder, CO 80302

ATTACHMENT A
Downtown Boulder Business Improvement District
2011 Budget (Actuals) & 2012 Budget & 2013 Proposed Income & Expense Budget

INCOME		Actual Prior Year (2011)			Estimated Current Year (2012)			Proposed Budget Year (2013)		
	Enterprise	Regular	Total	Enterprise	Regular	Total	Enterprise	Regular	Total	
City of Boulder	40,788.00	0.00	40,788.00	61,114.00	0.00	61,114.00	63,204.00	0.00	63,204.00	
Downtown Boulder, Inc.	80,000.00	0.00	80,000.00	95,000.00	0.00	95,000.00	135,000.00	0.00	135,000.00	
BID Assessment	0.00	958,268.00	958,268.00	0.00	1,006,850.00	1,006,850.00	0.00	1,016,545.00	1,016,545.00	
Specific Ownership Tax	0.00	44,431.00	44,431.00	0.00	40,000.00	40,000.00	0.00	40,000.00	40,000.00	
Other	0.00	8,954.00	8,954.00	0.00	10,400.00	10,400.00	0.00	18,900.00	18,900.00	
TOTAL INCOME	120,788.00	1,011,653.00	1,132,441.00	156,114.00	1,057,250.00	1,213,364.00	198,204.00	1,075,445.00	1,273,649.00	

EXPENSE		Actual Prior Year (2011)			Estimated Current Year (2012)			Proposed Budget Year (2013)		
	Enterprise	Regular	Total	Enterprise	Regular	Total	Enterprise	Regular	Total	
PERSONNEL										
Salaries	45,000.00	321,112.00	366,112.00	45,000.00	312,750.00	357,750.00	75,000.00	339,600.00	414,600.00	
Benefits	0.00	97,716.00	97,716.00	0.00	111,655.00	111,655.00	0.00	123,500.00	123,500.00	
Professional Development	0.00	2,994.00	2,994.00	0.00	7,500.00	7,500.00	0.00	8,500.00	8,500.00	
TOTAL	45,000.00	421,822.00	466,822.00	45,000.00	431,905.00	476,905.00	75,000.00	471,600.00	546,600.00	

ADMINISTRATION		Actual Prior Year (2011)			Estimated Current Year (2012)			Proposed Budget Year (2013)		
	Enterprise	Regular	Total	Enterprise	Regular	Total	Enterprise	Regular	Total	
Rent	10,000.00	43,497.00	53,497.00	10,000.00	46,250.00	56,250.00	15,000.00	53,450.00	68,450.00	
Kiosk Rent	6,535.00	40,505.00	47,040.00	6,861.00	42,139.00	49,000.00	7,203.00	44,647.00	51,850.00	
Insurance	0.00	4,856.00	4,856.00	0.00	5,600.00	5,600.00	0.00	5,600.00	5,600.00	
Services	0.00	9,502.00	9,502.00	0.00	13,700.00	13,700.00	0.00	14,250.00	14,250.00	
Furn/Equip	0.00	6,124.00	6,124.00	0.00	10,750.00	10,750.00	0.00	12,700.00	12,700.00	
General Admin	0.00	28,937.00	28,937.00	0.00	16,850.00	16,850.00	0.00	17,350.00	17,350.00	
Assessment Expenses	0.00	14,457.00	14,457.00	0.00	23,000.00	23,000.00	0.00	23,000.00	23,000.00	
TOTAL	16,535.00	147,878.00	164,413.00	16,861.00	158,289.00	175,150.00	22,203.00	170,997.00	193,200.00	

SERVICE/MAINTENANCE		Actual Prior Year (2011)			Estimated Current Year (2012)			Proposed Budget Year (2013)		
	Enterprise	Regular	Total	Enterprise	Regular	Total	Enterprise	Regular	Total	
Security	0.00	40,772.00	40,772.00	0.00	42,000.00	42,000.00	0.00	43,000.00	43,000.00	
Contract Services	7,068.00	36,475.00	43,543.00	7,068.00	33,700.00	40,768.00	7,068.00	36,700.00	43,768.00	
Banner/Décor	0.00	39,527.00	39,527.00	15,000.00	45,000.00	60,000.00	0.00	55,000.00	55,000.00	
Operations Admin	0.00	9,690.00	9,690.00	0.00	11,000.00	11,000.00	0.00	10,000.00	10,000.00	
Other Labor	10,874.00	26,025.00	36,899.00	10,874.00	35,326.00	46,200.00	10,874.00	40,500.00	51,374.00	
TOTAL	17,942.00	152,489.00	170,431.00	32,942.00	167,026.00	199,968.00	17,942.00	185,200.00	203,142.00	

MARKETING		Actual Prior Year (2011)			Estimated Current Year (2012)			Proposed Budget Year (2013)		
	Enterprise	Regular	Total	Enterprise	Regular	Total	Enterprise	Regular	Total	
Marketing Services	0.00	22,517.00	22,517.00	0.00	43,000.00	43,000.00	0.00	41,000.00	41,000.00	
Special Projects	0.00	34,044.00	34,044.00	0.00	47,500.00	47,500.00	0.00	41,000.00	41,000.00	
Communication	16,311.00	4,814.00	21,125.00	16,311.00	15,089.00	31,400.00	16,311.00	13,000.00	29,311.00	
Visitor Marketing	0.00	4,293.00	4,293.00	0.00	14,000.00	14,000.00	0.00	17,000.00	17,000.00	
Special Events	25,000.00	33,315.00	58,315.00	40,000.00	46,000.00	86,000.00	66,748.00	56,000.00	122,748.00	
Local/Regional	0.00	144,100.00	144,100.00	0.00	140,000.00	140,000.00	0.00	145,000.00	145,000.00	
TOTAL	41,311.00	243,083.00	284,394.00	56,311.00	305,589.00	361,900.00	83,059.00	313,000.00	396,059.00	

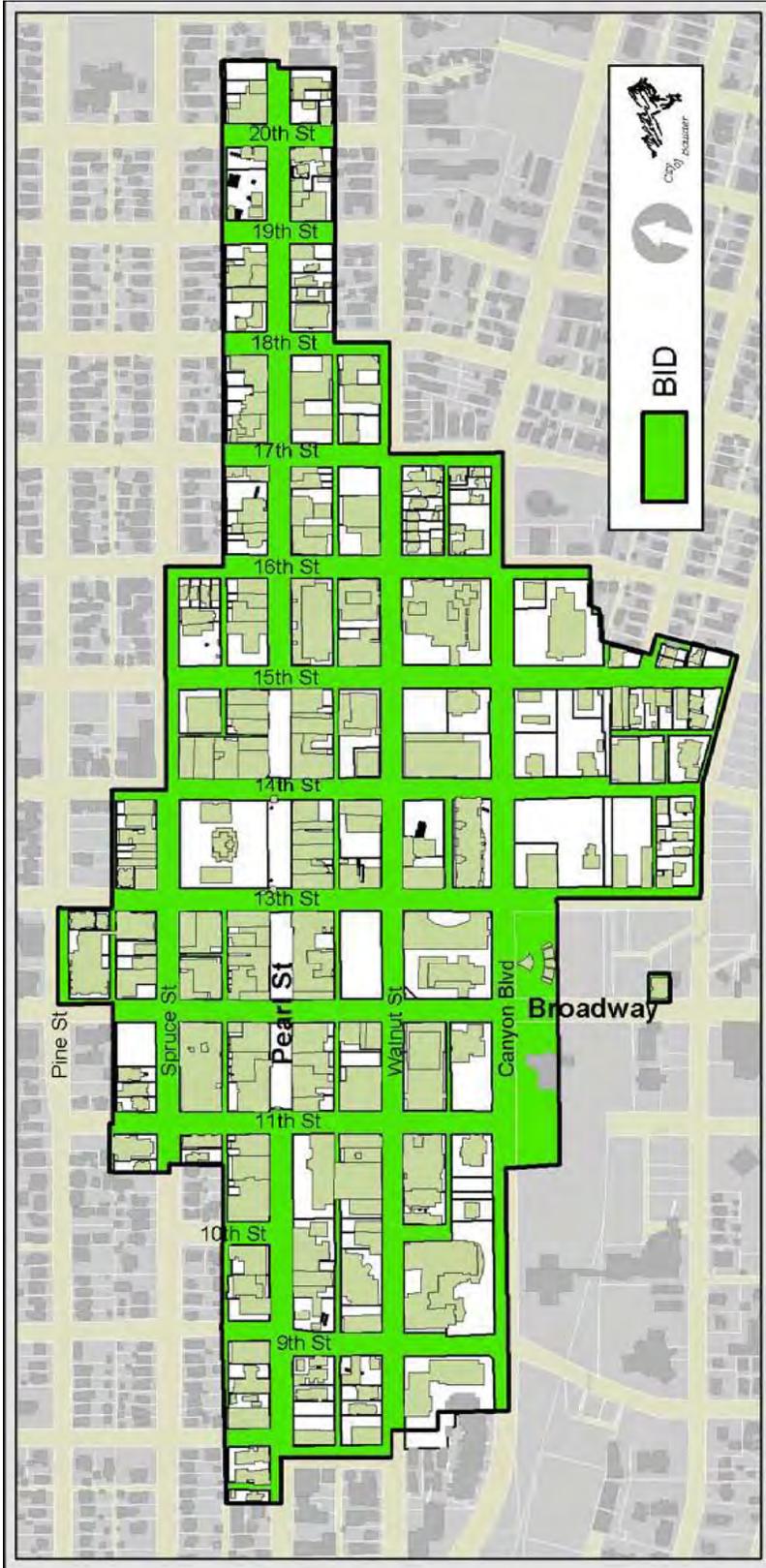
ECONOMIC VITALITY		Actual Prior Year (2011)			Estimated Current Year (2012)			Proposed Budget Year (2013)		
	Enterprise	Regular	Total	Enterprise	Regular	Total	Enterprise	Regular	Total	
Database Update	0.00	0.00	0.00	5,000.00	0.00	5,000.00	0.00	2,000.00	2,000.00	
Business Consulting	0.00	10,048.00	10,048.00	0.00	0.00	0.00	0.00	0.00	0.00	
Business Assistance Program	0.00	1,225.00	1,225.00	0.00	0.00	0.00	0.00	0.00	0.00	
CU Business Plan Competition	0.00	0.00	0.00	0.00	2,500.00	2,500.00	0.00	2,500.00	2,500.00	
ED Materials/Collateral	0.00	990.00	990.00	0.00	7,000.00	7,000.00	0.00	2,000.00	2,000.00	
TOTAL	0.00	12,263.00	12,263.00	5,000.00	9,500.00	14,500.00	0.00	6,500.00	6,500.00	

CAPITAL RESERVE ALLOCATION		Actual Prior Year (2011)			Estimated Current Year (2012)			Proposed Budget Year (2013)		
	Enterprise	Regular	Total	Enterprise	Regular	Total	Enterprise	Regular	Total	
	0.00	0.00	0.00	0.00	3,590.94	3,590.94	0.00	3,590.94	3,590.94	
TOTAL	0.00	0.00	0.00	0.00	3,590.94	3,590.94	0.00	3,590.94	3,590.94	
Total Expense	120,788	977,535	1,098,323	156,114	1,072,309	1,228,423	198,204.00	1,150,887.94	1,349,091.94	

Net Income 34,118 -18,650 -75,443

Notes:
 Enterprise-restricted funds from City of Boulder or DBI that have to be used in accordance to agreements between entities.
 Regular-BID funds from assessment and any additional revenue sources.
 BID Assessment-the BID will certify its mill levy to collect an estimated \$1,016,545 in revenue.

Attachment B – District Map





**CITY OF BOULDER
CITY COUNCIL AGENDA ITEM**

MEETING DATE: NOVEMBER 15, 2012

AGENDA TITLE

Fourth reading and consideration of a motion to adopt Ordinance No. 7870 amending Title 6, "Health, Safety and Sanitation", B.R.C. 1981, regarding the establishment of a fee on all disposable plastic and paper checkout bags distributed at food stores.

PRESENTERS

Jane S. Brautigam, City Manager
Tom Carr, City Attorney
Paul J. Fetherston, Deputy City Manager
David Driskell, Executive Director, Community Planning and Sustainability
Susan Richstone, Deputy Director, Community Planning and Sustainability
Jamie Harkins, Business Sustainability Specialist

EXECUTIVE SUMMARY

On Nov. 1, 2012 City Council amended and approved on third reading Ordinance No. 7870 (7-1; T. Plass absent), amending B.R.C. Section 6-15-4(a) to increase the amount retained by retailers from 20 percent to 40 percent. This allows the retailer portion of the bag fee to remain at \$0.04 following council's reduction of the bag fee from \$0.20 to \$0.10. **Attachment A** reflects the amendment to the ordinance.

The Oct. 16 second reading and Nov. 1 third reading materials are located at <http://www.bouldercolorado.gov/LEAD/bags>.

STAFF RECOMMENDATION

Suggested Motion Language:

Staff requests council consideration of this matter and action in the form of the following motion:

Motion to adopt Ordinance No. 7870 amending Title 6, "Health, Safety and Sanitation", proposing a new Chapter 6-15, "Disposable Bag Fee" B.R.C. 1981 that establishes a \$0.10 fee on all disposable plastic and paper checkout bags distributed by food stores.

PUBLIC FEEDBACK

Eleven speakers provided comments during public participation at the Nov. 1, 2012 third reading, with nine speaking in favor of the ordinance and one in opposition. Mary Lou Chapman, President of the Rocky Mountain Food Industry Association, expressed concern about the exemption for consumers on food assistance programs and asked that the exemption be removed from the ordinance.

NEXT STEPS

After the adoption of the ordinance, staff will begin preparing for its implementation. The associated expenses will be reimbursed by the bag fee proceeds once collection begins. The work plan preceding the ordinance's effective date of July 1, 2013 will include the following:

November - December 2012:

1. Continue outreach to all food stores to provide educational information about the ordinance, its effective date and its requirements;
2. Begin developing the financial return form and other software changes to allow the Finance Division to collect and track the Disposable Bag Fee;
3. Begin to design the educational outreach campaign about the ordinance for the community (including messaging and tactics) and signage for applicable stores;
4. Continue to develop existing and new relationships with organizations that interface with low income and senior populations; and
5. Investigate options and place order for reusable bags to be distributed to the community, giving priority to bags that are made in the U.S., preferably as local as possible.

January – March 2013:

1. Finish design and production of materials for the education outreach campaign and store signage;
2. Begin distribution of free reusable bags to the community at large, and targeted distribution through organizations and other outreach methods to low income and senior populations;
3. Begin educational outreach and marketing campaign to inform the community of the Disposable Bag Fee and its effective date;
4. Develop partnerships with organizations in Boulder with different audiences to provide educational materials and reusable bags; and
5. Begin distribution of signage to stores so that customers have advance notice of the fee.

April – June 2013:

1. Continue to work with food stores to ensure they are prepared to begin collecting the fee;
2. Continue and ramp-up reusable bag distribution; and
3. Continue and ramp-up educational outreach and marketing campaign to the community.

ATTACHMENTS

A – Proposed Ordinance No. 7870

ORDINANCE NO. 7870

AN ORDINANCE ESTABLISHING A NEW CHAPTER 6-15, "DISPOSABLE BAG FEE," B.R.C. 1981, AND SETTING FORTH RELATED DETAILS.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BOULDER, COLORADO:

Section 1. A new Chapter 6-15, "Disposable Bag Fee," B.R.C. 1981 is added as follows:

Title 6 Health, Safety and Sanitation

Chapter 6-15 Disposable Bag Fee

6-15-1

- (a) **Purpose:** It is the purpose of this chapter to protect the public health and safety and implement the city's Climate Action Plan, Zero Waste Master Plan and the Boulder Valley Comprehensive Plan.
- (b) **Findings:** The City Council finds as follows:
- (1) The city, through its policies, programs, and laws, supports efforts to reduce the amount of waste that must be land-filled and pursue "zero waste" as a long term goal by emphasizing waste prevention efforts;
 - (2) That the use of single-use disposable bags has severe impacts on the environment on a local and global scale, including greenhouse gas emissions, litter, harm to wildlife, atmospheric acidification, water consumption and solid waste generation;
 - (3) Despite recycling and voluntary solutions to control pollution from disposable carryout bags, many disposable single-use bags ultimately are disposed of in landfills, litter the environment, block storm drains and endanger wildlife;
 - (4) Boulder consumers use approximately 14.3 million disposable bags from food stores each year; and
 - (5) The city's taxpayers bear the costs associated with the effects of disposable bags on the solid waste stream, drainage, litter and wildlife.
- (c) **Intent:** The disposable bag fee is necessary to address the environmental problems associated with disposable bags and to relieve city taxpayers of the costs imposed upon the city associated with the use of disposable bags. The City Council intends that the requirements of this chapter will assist in offsetting the costs associated with using disposable bags to pay for the mitigation, educational, replacement, and administrative efforts of the city.

6-15-2 Definitions.

The following terms used in this chapter have the following meanings unless the context clearly indicates otherwise:

“Disposable Bag” means a bag that is not a Reusable Bag.

“Disposable Bag” does not include:

- (a) Bags used by consumers inside stores to:
 - (1) Package bulk items, such as fruit, vegetables, nuts, grains, candy or small hardware items;
 - (2) Contain or wrap frozen foods, meat, or fish;
 - (3) Contain or wrap flowers, potted plants, or other items where dampness may be a problem;
 - (4) Contain unwrapped prepared foods or bakery goods; or
 - (5) A non-handled bag used to protect a purchased item from damaging or contaminating other purchased items when placed in a recyclable paper bag or reusable bag.
- (b) Bags provided by pharmacists to contain prescription drugs.
- (c) Newspaper bags, door-hanger bags, laundry-dry cleaning bags, or bags sold in packages containing multiple bags for uses such as food storage, garbage, pet waste, or yard waste bags.

“Food Store” means a retail establishment or business located within Boulder city limits in a permanent building, operating year round, that is a full-line, self-service market and which sells a line of staple foodstuffs, meats, produce or dairy products or other perishable items.

“Food Store” does not include:

- (a) Temporary vending establishment for fruits, vegetables, packaged meats and dairy;
- (b) Vendors at farmer’s markets or other temporary events;
- (c) Businesses at which foodstuffs are an incidental part of the business. Food sales will be considered to be “incidental” if such sales comprise no more than 2 percent of the business’s gross sales in the city as measured by the dollar value of food sales as a percentage of the dollar value of total sales at any single location.

“Recycled Paper Bag” means a paper bag that is 100 percent recyclable and contains at least 40 percent post-consumer recycled content.

“Reusable Bag” means a bag that is:

- (a) Designed and manufactured to withstand repeated uses over a period of time;

- (b) Is made from a material that can be cleaned and disinfected regularly;
- (c) That is at least 2.25 mil thick if made from plastic;
- (d) Has a minimum lifetime of 75 uses; and
- (e) Has the capability of carrying a minimum of 18 pounds.

“Disposable Bag Fee” means a city fee imposed and required to be paid by each consumer making a purchase from a Food Store for each Disposable Bag used during the purchase assessed for the purpose of mitigating the impacts of Disposable Bags.

6-15-3 Disposable Bag Fee Requirements.

- (a) For each Disposable Bag provided to a customer, Food Stores shall collect from customers, and customers shall pay, at the time of purchase, a Disposable Bag Fee of \$0.10.
- (b) Food Stores shall record the number of Disposable Bags provided and the total amount of Disposable Bag Fees charged on the customer transaction receipt.
- (c) A Food Store shall not refund to the customer any part of the Disposable Bag Fee, nor shall the Food Store advertise or state to customers that any part of the Disposable Bag Fee will be refunded to the customer.
- (d) A Food Store shall not exempt any customer from any part of the Disposable Bag Fee for any reason except as stated in section 6-15-7, “Exemptions,” B.R.C. 1981.

6-15-4 Retention, Remittance, and Transfer of the Disposable Bag Fee.

- (a) A Food Store may retain 40 percent of each Disposable Bag Fee collected, which is the “Retained Percent.”
- (b) The Retained Percent may only be used by the Food Store to:
 - (1) Provide educational information about the Disposable Bag Fee to customers;
 - (2) Provide the signage required by section 6-15-5, “Required Signage for Food Stores,” B.R.C. 1981;
 - (3) Train staff in the implementation and administration of the fee;
 - (4) Improve or alter infrastructure to allow for the implementation, collection, administration of the fee;
 - (5) Collect, account for and remit the fee to the city;
 - (6) Develop and display informational signage to inform consumers about the fee, encourage the use of reusable bags or promote recycling of plastic bags; and
 - (7) Improve infrastructure to increase plastic bag recycling.

- (c) The Retained Percent shall not be classified as revenue for the purposes of calculating sales tax.
- (d) The amount of the Disposable Bag Fee collected by a Food Store in excess of the Retained Percent shall be paid to the city and shall be used only as set forth in subsection (g) to mitigate the effects of Disposable Bags in Boulder.
- (e) A Food Store shall pay and the city shall collect all Disposable Bag Fees. The city shall provide the necessary forms for Food Stores to file with the city, to demonstrate compliance with the provisions of this ordinance.
 - (1) If payment of any amount to the city is not received on or before the applicable due date, penalty and interest charges shall be added to the amount due as described in section 6-15-8, "Audits and Violations," B.R.C. 1981.
- (f) The Disposable Bag Fee shall be administered by the city manager. The city manager is authorized to adopt interpretive rules pursuant to chapter 1-4, "Rulemaking," B.R.C. 1981, to implement this chapter, prescribe forms and provide methods of payment and collection and otherwise implement requirements of this chapter.
- (g) Funds from the Disposable Bag Fee shall be used only for the expenditures that are intended to mitigate the effects of Disposable Bags, including without limitation the following:
 - (1) Administrative costs associated with developing and implementing the Disposable Bag Fee.
 - (2) Activities of the city to:
 - (A) Provide reusable carryout bags to residents and visitors;
 - (B) Educate residents, businesses, and visitors about the impact of Disposable Bags on the city's environmental health, the importance of reducing the number of single-use carryout bags entering the waste stream, and the expenses associated with mitigating the affects of single-use bags on the city's drainage system, transportation system, wildlife and environment;
 - (C) Fund programs and infrastructure that allow the Boulder community to reduce waste associated with Disposable Bags;
 - (D) Purchase and install equipment designed to minimize bag pollution, including, recycling containers, and waste receptacles associated with Disposable Bags;
 - (E) Fund community cleanup events and other activities that reduce trash associated with Disposable Bags;
 - (F) Mitigate the effects of Disposable Bags on the city's drainage system, transportation system, wildlife and environment;

- (G) Maintain a public website that educates residents on the progress of waste reduction efforts associated with Disposable Bags; and
 - (H) Fund the administration of the Disposable Bag Fee program.
- (h) No Disposable Bag Fees collected in accordance with this ordinance shall be used only for general government purposes.
- (i) Disposable Bag Fees collected in accordance with this chapter shall be continually available for the uses and purposes set forth in subsection (g) of this section without regard to fiscal year limitation. No Disposable Bag Fee funds shall be used for any purpose not authorized in this chapter.

6-15-5 Required Signage for Food Stores.

Every Food Store subject to the collection of the Disposable Bag Fee shall display a sign in a location outside or inside of the business, viewable by customers, alerting customers to the city of Boulder's Disposable Bag Fee.

6-15-6 Requirement for Disposable Paper Bags.

No Food Store shall provide any paper bag that is not a Recycled Paper Bag.

6-15-7 Exemptions.

A Food Store may provide a Disposable Bag to a customer at no charge if the customer provides evidence that he or she is a participant in a federal or state Food Assistance Program.

6-15-8 Audits and Violations.

- (a) Each Food Store licensed pursuant to the provisions of this chapter shall maintain accurate and complete records of the Disposable Bag Fees collected, the number of Disposable Bags provided to customers, the form and recipients of any notice required pursuant to this chapter, and any underlying records, including any books, accounts, invoices, or other records necessary to verify the accuracy and completeness of such records. It shall be the duty of each Food Store to keep and preserve all such documents and records, including any electronic information, for a period of three years from the end of the calendar year of such records.
- (b) If requested, each Food Store shall make its records available for audit by the city manager during regular business hours for the city to verify compliance with the provisions of this chapter. All such information shall be treated as confidential commercial documents.
- (c) If any person fails, neglects, or refuses to collect the Disposable Bag Fee, or underpays the Disposable Bag Fee, the city manager shall make an estimate of the fees due, based on available information, and shall add thereto penalties, interest, and any additions to the

fees. The manager shall serve upon the delinquent Food Store personally, by electronic mail or by first class mail directed to the last address of the Food Store on file with the city, written notice of such estimated fees, penalties, and interest, constituting a Notice of Final Determination, Assessment, and Demand for Payment, (also referred to as "Notice of Final Determination") due and payable within 20 calendar days after the date of the notice. The Food Store may request a hearing on the assessment as provided in section 6-15-9, "Hearings," B.R.C. 1981.

- (d) If payment of any amount of the Disposable Bag Fee to the city is not received on or before the applicable due date, penalty and interest charges shall be added to the amount due in the amount of:
 - (1) A penalty of ten percent of total due;
 - (2) Interest charge of one percent of total penalty per month.

6-15-9 Hearings.

- (a) A Food Store may request a hearing on any proposed fee imposed under this title after receiving a Notice of Final Determination, by filing a written request for hearing within 20 calendar days of the date of mailing of the Notice of Final Determination. The request for hearing shall set forth the reasons for and amount of changes in the Notice of Final Determination that the Food Store seeks and such other information as the manager may prescribe.
- (b) The city manager shall conduct the hearing under the procedures prescribed by chapter 1-3, "Quasi-Judicial Hearings," B.R.C. 1981, except that the manager shall notify the Food Store in writing of the time and place of the hearing at least ten days before it is scheduled, unless the Food Store agrees to a shorter time. The hearing shall be held within 60 days of the date of receipt of the request for a hearing, unless the Food Store agrees to a later date.

6-15-10 Criminal Sanctions.

- (a) The city attorney, acting on behalf of the people of the city, may prosecute any violation of this title in municipal court in the same manner that other municipal offenses are prosecuted.
- (b) The maximum penalty for a first or second conviction within two years, based on date of violation of this section, is a fine of \$500.00. For a third and each subsequent conviction within two years, based upon the date of the first violation, the general penalty provisions of section 5-2-4, "General Penalties," B.R.C. 1981, shall apply.

Section 3. The provisions of this ordinance relating to the collection of the Disposable Bag Fee and required store signage shall become effective July 1, 2013. All other provisions shall be effective 30 days from the date of passage. The city manager shall develop and

implement the administrative and financial processes for the collection of the fee between the effective date of this ordinance and June 30, 2013.

Section 4. If any section, subsection, sentence, clause or phrase of this chapter is for any reason held invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this chapter.

Section 5. This ordinance is necessary to protect the public health, safety, and welfare of the residents of the city, and covers matters of local concern.

Section 6. The City Council deems it appropriate that this ordinance be published by title only and orders that copies of this ordinance be made available in the office of the city clerk for public inspection and acquisition.

INTRODUCED, READ ON FIRST READING, AND ORDERED PUBLISHED BY
TITLE ONLY this 2nd day of October, 2012

Mayor

Attest:

City Clerk

READ ON SECOND READING, AMENDED, ADOPTED, AND ORDERED
PUBLISHED BY TITLE ONLY this 16th day of October, 2012.

Mayor

Attest:

City Clerk

READ ON THIRD READING, AMENDED, ADOPTED, AND ORDERED
PUBLISHED BY TITLE ONLY this 1st day of November, 2012.

Mayor

Attest:

City Clerk

READ ON FOURTH READING, PASSED, ADOPTED, AND ORDERED
PUBLISHED BY TITLE ONLY this 15th day of November, 2012.

Mayor

Attest:

City Clerk



**CITY OF BOULDER
CITY COUNCIL AGENDA ITEM**

MEETING DATE: November 15, 2012

AGENDA TITLE: Introduction, first reading and consideration of a motion to order published by title only an ordinance approving supplemental appropriations to the 2012 Budget.

PRESENTER/S:

Jane S. Brautigam, City Manager
Paul J. Fetherston, Deputy City Manager
Bob Eichem, Chief Financial Officer
Eric Nickell, Budget Director
Peggy Bunzli, Budget Manager

EXECUTIVE SUMMARY

As described in the *Budget Philosophy and Process* section of the annual budget document, each year two supplemental ordinances are presented to City Council for review and approval. Council receives the first ordinance, the **Carryover and First Budget Supplemental**, in April/May. Council receives the second ordinance, the **Second and Final Budget Supplemental**, in November/December.

The supplemental ordinances adjust only the current year budget and are considered “one-time” adjustments. As a result, they have no direct or immediate impact on the following year’s budget. In contrast, the city assigns budget requests with “ongoing” or multi-year impacts only to the annual budget process (budget planning for the coming fiscal year) and not to either budget supplemental.

This packet includes budget supplemental “one-time” line items that represent new budgeted amounts for 2012. A proposed ordinance is provided as **Attachment A** to this packet. Detailed narrative information on each budget supplemental request is included in **Attachment B**. Additional information on different types of requests and a more in-depth explanation on the supplemental requests related to the Valmont Butte cleanup effort is provided under the *analysis* section of this memo.

STAFF RECOMMENDATION

Suggested Motion Language:

Staff requests council consideration of this matter and action in the form of the following motion:

Motion to introduce and order published by title only an ordinance approving supplemental appropriations to the 2012 Budget.

COMMUNITY SUSTAINABILITY ASSESSMENTS AND IMPACTS

This supplemental ordinance appropriates funding for a variety of citywide projects and services that positively affect economic, environmental or social sustainability in the community.

OTHER IMPACTS

- Fiscal: In the **General Fund** this ordinance will appropriate \$1,237,022 from additional revenue, \$103,467 from fund balance reserves, and \$829,912 from fund balance. It also includes increases in revenue only of \$1,272,500.

In **restricted funds**, this ordinance will appropriate \$35,217,801 from additional revenue and \$3,007,331 from fund balance. It also includes increase in revenue only of \$401,519. The biggest portion of the appropriation increase is due to the October 2012 refunding of the Water and Sewer Bonds, totaling \$31,543,923.

- Staff time for this process is allocated in the Budget Division's regular annual work plan.

ANALYSIS

Types of Requests

The following requests provide typical examples of General Fund supplemental appropriations from various types of fund balance:

- Appropriation for city liability for unemployment insurance
- Appropriation for Police equipment from the Federal Asset Forfeiture reserve

The following requests provide typical examples of supplemental appropriations from new revenue:

- Appropriation for program costs from Wildland fire reimbursements (General Fund)
- Appropriation for additional program funding from grant revenue (multiple funds)

A third category of supplemental appropriation is a negative appropriation, an example of which is reduced appropriation due to reduced grant funding.

This packet also includes appropriation requests for transfers between funds. One reason this may be requested is that multiple funds are covering a single project's costs and it is more efficient and effective to have all the funds available in one place to administrate project expenses or track total project activity and costs. An example of this is the Wildland Fire Training Center project, which is being funded from multiple sources, including the 2011 capital bond proceeds, the Facility Renovation and Replacement Fund, and the Fire Training Center Fund.

Finally, a number of adjustments are made in this final supplemental ordinance to meet accounting requirements.

Valmont Butte Clean Up

The attached ordinance includes various appropriations related to the Valmont Butte Voluntary Cleanup Program (VCUP). The VCUP is approximately 70 percent complete with an expected completion date in March 2013. Excavations of contaminated soils are complete and consolidated at the primary tailings pond. Remaining work includes the two-foot soil cap over the tailings pond with the 18-inches of rock cap, fill of excavated areas and stormwater drainage control, fencing and site revegetation. Final documents will then be compiled and submitted to the Colorado Department of Health and Environment for closure of the VCUP and any revisions to the environmental covenants required for the site.

The city has an interim cost sharing agreement with Honeywell for 50 percent of construction and other site-related costs, with a right to seek reallocation in an arbitration hearing. The City's contribution is paid 50 percent from the General Fund, 40 percent from Utilities, and 10 percent from Open Space and Mountain Parks. Construction expenses for the cleanup were estimated to cost the city and Honeywell approximately \$5 million. The initial cleanup contract was awarded in 2011. During cleanup operations in 2012, additional costs of \$1.4 million have been identified. The added costs are for asbestos abatement, prairie dog fencing, removal of invasive trees, additional soil excavation, rock cap adjustments and contingencies. In addition to construction costs, there are \$1.2 million in other costs for archaeological monitoring, prairie dog management, perimeter air monitoring, building asbestos inspection, legal services, and independent oversight, sampling and reporting. With construction costs and support costs, the total cleanup costs are now projected to be \$6.4 million.

For this supplemental appropriation, the request is for an additional \$722,000 with the General Fund contributing \$361,000, the Wastewater Utility Fund \$288,000 and the Open Space and Mountain Parks Fund \$72,000. Additional legal fees of \$150,000 are also being requested in this supplemental.

Overview of Total Requests

A summary table of the carryover and supplemental requests by fund can be found in **Attachment C**. In this table, in the narrative information (**Attachment B**) and in common usage in city meetings, the April/May and November / December budget supplementals are also referred to as the **First Adjustment to Base** and **Second Adjustment to Base**, respectively. The current year's council-approved budget is the "base" in the term Adjustment to Base (ATB).

In total, the city recommends \$40,395,533 in appropriations, of which \$36,454,823 come from new revenues and \$3,940,710 from fund balance. Most of the appropriations (\$38,225,132 or 95% of the total) are in the city's restricted funds, such as Wastewater , Open Space, and Transportation. The biggest portion of the appropriation increase is due to the October 2012 refunding of the Water and Sewer Bonds totaling \$31,543,923. **Attachment D** is a schedule reflecting the impact of the supplemental appropriations for 2012 on the projected fund balance for each fund.

The council's second reading of this item is scheduled for the Dec. 4 City Council meeting.

ATTACHMENTS

- A. Proposed Ordinance containing supplemental appropriations to the 2012 Budget
- B. Narrative descriptions of all supplemental appropriations to the 2012 Budget by fund
- C. Table of all supplemental appropriations to the 2012 Budget by fund
- D. 2012 Fund Activity Summary

ORDINANCE NO. _____

AN ORDINANCE RELATING TO THE FINANCIAL AFFAIRS OF THE CITY OF BOULDER, COLORADO, MAKING SUPPLEMENTAL APPROPRIATIONS FOR THE FISCAL YEAR ENDING DECEMBER 31, 2012 SETTING FORTH DETAILS IN RELATION TO THE FOREGOING.

WHEREAS, Section 102 of the Charter of the City of Boulder provides that: "At any time after the passage of the annual appropriation ordinance and after at least one week's public notice, the council may transfer unused balances appropriated for one purpose to another purpose, and may by ordinance appropriate available revenues not included in the annual budget;" and

WHEREAS, the City Council now desires to make certain supplemental appropriations for purposes not provided for in the 2012 annual budget; and,

WHEREAS, required public notice has been given;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BOULDER, COLORADO, that the following amounts are appropriated from additional projected revenues and from unused fund balances to the listed funds:

Section 1. General Fund

Appropriation from Fund Balance	\$831,600
Appropriation from Fund Balance - Reserves	\$103,467
Appropriation from Additional Revenue	\$1,269,732
Negative Appropriation	\$(34,398)
Increase in Revenue Only	\$1,272,500

Section 2. Planning & Development Services Fund

Appropriation from Additional Revenue	\$23,800
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Section 3. .25 Cent Sales Tax Fund (1995 Ballot Issue)

Appropriation from Additional Revenue \$6,859

Section 4. Library Fund

Appropriation from Additional Revenue \$38,000

Section 5. Recreation Activity Fund

Appropriation from Fund Balance \$61,037

Appropriation from Additional Revenue \$88,680

Section 6. Climate Action Plan Fund

Increase in Revenue Only \$51,199

Section 7. Open Space Fund

Appropriation from Fund Balance \$87,183

Appropriation from Additional Revenue \$931,714

Section 8. Transportation Fund

Appropriation from Additional Revenue \$507,385

Negative Appropriation \$(329,099)

Increase in Revenue Only \$105,820

Section 9. Community Development Block Grant Fund

Appropriation from Additional Revenue \$501

Section 10. HOME Fund

Appropriation from Additional Revenue \$455

Section 11. Permanent Parks and Recreation Fund

Increase in Revenue Only \$230,000

Section 12. Boulder Junction Improvement Fund

Appropriation from Additional Revenue \$41,384

Section 13. 2011 Capital Improvement Fund

Appropriation from Additional Revenue \$972,322

Section 14. .15 Cent Sales Tax Debt Service Fund

Appropriation from Additional Revenue \$1,256,000

Section 15. Water Utility Fund

Appropriation from Fund Balance \$118,700

Negative Appropriation \$(3,778)

Section 16. Wastewater Utility Fund

Appropriation from Fund Balance \$977,872

Appropriation from Additional Revenue \$30,914,785

Section 17. Telecommunications Fund

Increase in Revenue Only \$14,500

Section 18. Fleet Replacement Fund

Appropriation from Fund Balance \$1,460,000

Section 19. Equipment Replacement Fund

Appropriation from Fund Balance \$14,500

Section 20. Facility Renovation and Replacement Fund

Appropriation from Fund Balance \$620,917

Appropriation from Additional Revenue \$435,917

Section 21. The City Council finds that this ordinance is necessary to protect the public health, safety, and welfare of the residents of the City and covers matters of local concern.

Section 22. If any part or parts hereof are for any reason held to be invalid, such shall not affect the remaining portion of this ordinance.

Section 23. The Council deems it appropriate that this ordinance be published by title only and order that copies of this ordinance be made available in the Office of the City Clerk for public inspection and acquisition.

INTRODUCED, READ, ON FIRST READING, AND ORDERED PUBLISHED

BY TITLE ONLY this 15th day of November, 2012.

Mayor

Attest:

City Clerk

READ ON SECOND READING, PASSED, ADOPTED, AND ORDERED

PUBLISHED BY TITLE this 4th day of December, 2012.

Mayor

Attest:

City Clerk

DEFINITIONS AND REQUEST NARRATIVE 2nd BUDGET SUPPLEMENTAL OF 2012

DEFINITIONS

Budget Supplementals

Budget Supplemental from Fund Balance

Adjustments for new appropriation from a specific fund's available fund balance.

Budget Supplemental from Fund Balance Reserve

Adjustments for new appropriation from a specific fund's available fund balance where use is limited for specific purposes, typically due to legal restrictions or management assignment.

Budget Supplemental from Additional Revenue

Grants – Budget supplementals from grant revenues are required throughout the year since either the grant was not anticipated and was therefore not incorporated into the original budget, or because the grant amount actually received was more than the amount specified in the original budget.

Miscellaneous – This category includes annual unanticipated funds received for city programs and services, including items such as donations, fundraisers, wildland fire costs or cooperative agreements between municipalities. In addition, beginning in 2007, reimbursements for some services (e.g. insurance proceeds, off-duty police officer services, city-sponsored training programs) are now officially recognized as miscellaneous revenues instead of reducing expenditures. Best practices accounting and reporting standards require these revenues to be reflected through the formal appropriation process.

Transfers to/from Other Funds

Transfers between funds requiring City Council approval.

Budget Adjustments Necessitated by Accounting Requirements

Adjustments required based on generally accepted accounting and reporting requirements. These adjustments are made in the final adjustments to base.

Negative Appropriations

Adjustments reducing approved appropriations based on identified reductions in revenue sources (e.g. grant funding reductions).

BUDGET SUPPLEMENTAL DETAILS BY FUND

GENERAL FUND

Budget Supplemental(s) from Fund Balance

City Manager's Office – Education Access Funding, PEG Fees – \$379,412

This request appropriates funds for finance equipment purchases, and repair and maintenance for Public Education and Government Programming. This amount represents funding from PEG fees earmarked for Public Education and Government Programming in the prior year. The amount is carried over each year from unencumbered and unspent balances in the PEG account and was intended to be included in the first Adjustment to Base (ATB) of 2012.

Citywide – Police Pensions Annual Required Contribution – \$77,768

An actuarial study is performed every other year to determine the required city contribution to the Old Hire Police and Fire Pension plans. This request appropriates additional city contributions for 2012 in order to meet the 2012 actuarial requirements. This does not provide for any increase in benefits. It is the amount required to stay in compliance with state laws regarding the funding of old hire fire and police pension plans. The increase is due to lower investment returns than were projected and a requirement that the estimated total cost of the each plan be amortized over the shorter of 20 years or the expected life of the plan. Both plans have estimated life expectancies of less than 20 years (fire 12 years and police 15). As the number of years is reduced the costs go up without any change in benefits.

Citywide – Fire Pensions Annual Required Contribution – \$62,600

An actuarial study is performed every other year to determine the required city contribution to the Old Hire Police and Fire Pension plans. This request appropriates additional city contributions for 2012 in order to meet the 2012 actuarial requirements. This does not provide for any increase in benefits. It is the amount required to stay in compliance with state laws regarding the funding of old hire fire and police pension plans. The increase is due to lower investment returns than were projected and a requirement that the estimated total cost of the each plan be amortized over the shorter of 20 years or the expected life of the plan. Both plans have estimated life expectancies of less than 20 years (fire 12 years and police 15). As the number of years is reduced the costs go up without any change in benefits.

Citywide– Unemployment Insurance– \$56,000

This request appropriates additional funding for unemployment insurance. Based on current year trend analysis, additional appropriation is needed to cover the city's liability for the rest of year.

Community Planning and Sustainability – Grandview Bungalows Preservation – \$150,000

This request appropriates additional funding as a contingency for preservation of the Grandview Bungalows. The University of Colorado has issued an RFP for the relocation of three historic bungalows in Grandview Terrace. The bungalows will be demolished if a third party does not relocate them. The city has agreed to contribute up to \$50,000 for each of the bungalows. The funds would be provided to a successful respondent to the RFP who is relocating one or more bungalows to a site within the city. The city would release funds upon successful relocation of the bungalow(s) and local landmark designation. Proposals are due to the university on Nov. 7.

Budget Supplemental(s) from Fund Balance – Reserves

Police – Federal Asset Forfeiture – \$103,467

This request appropriates \$103,467 from the Federal Asset Forfeiture reserve. The funds will be used for the training academy for new police officers; the training academy for police officers for the Forensics Lab; and for offsetting the total cost of the SWAT Truck (total cost of the vehicle was \$215,900, of which Fleet replacement paid \$150,000 and Asset Forfeiture paid \$65,900).

Budget Supplemental(s) from Additional Revenue

City Manager’s Office – Education Access Funding, PEG Fees – \$73,230

This request appropriates the Education Access portion of PEG revenues (.25 cents per subscriber) received in 2012. The appropriation will be used for equipment replacement. The City of Boulder currently receives a \$0.50 cents subscriber fee from Comcast to fund equipment for both a government channel and a public access channel. The projected revenue from 2012 subscriber fees is \$146,461. This amount is equally distributed between Municipal Channel 8 (government station managed by the city) and the entity the City of Boulder contracts with to provide Education Access service (Ch 22). Currently this contract is held by Boulder Valley Media Alliance.

City Manager’s Office – Channel 8 Revenue – \$25,025

This request appropriates additional revenue from Channel 8. Channel 8 is projected to generate \$25,025 in revenue from production of additional programming. This request appropriates these revenues to fund the additional costs associated with production requests and special projects in delivering the city message.

Citywide – Medical and Dental Rebates – \$65,155

This request appropriates revenue received in rebates from United Healthcare and Delta Dental. This amount will be paid back to the employees, retirees, COBRA participants, and BHP proportionally, based on individual contributions to premiums.

Downtown and University Hill Management District – Credit Card Fees – \$12,000

In Oct. 2011, the Durdin Amendment passed by Congress caused an increase in pay station credit card fees. This request appropriates funds for these additional costs. Expected increase in parking revenues will cover the cost increase.

Fire – Reimbursement for Fire Extinguisher Classes – \$2,200

This request appropriates revenues from fire extinguisher classes taught at local businesses to cover associated costs.

Fire – Reimbursement for Standby Fire Personnel – \$9,151

This request appropriates revenues from reimbursements for standby fire personnel at special events to cover associated costs.

Fire – Donation – \$1,000

During this year's wildland fires, the Fire Department received a donation of \$1,000 from a community member, in support of the city's response to the fires. This request appropriates the funds to be used for the city's Wildland Fire program costs.

Fire – Wildfire Response Reimbursement – \$456,893

This request appropriates additional revenue from reimbursement for expenses incurred from fire personnel response to provide assistance at wildfires across the country.

Housing and Human Services – Boulder Housing Partners PILOT – \$12,946

Boulder Housing Partners (BHP) is required to pay Payment in Lieu of Taxes (PILOT) to various property taxing districts. This amount represents the city portion of the 2012 PILOT payment from BHP and this request appropriates funds to reimburse the payment to BHP.

Housing and Human Services – Longmont Childcare Grant – \$86,001

This request appropriates additional grant revenue received in 2012. In 2012, the Longmont Childcare grant funding was increased substantially as a one-time increase due to unspent dollars from a poverty initiative in Longmont. The additional revenue will be used to manage child care assistance in the way of subsidies for low-income families. Funds are passed through to the child care providers of family choice.

Housing and Human Services (HHS) – Silver Sneakers– \$15,000

The Silver Sneakers® program, which is free to eligible participants, enhances the fitness and wellness of Medicare eligible seniors and disabled people. The city provides the program per contract with Healthways and HHS will receive revenue of \$15,000 from Healthways in 2012. This request appropriates these funds to cover the HHS costs of the program.

Housing and Human Services – Encore – \$5,000

The Boulder Encore Program is the optional membership program for Senior Services. The program offers discounts for classes and services in exchange for an annual membership fee. \$5,000 in revenue will be received from memberships sold in 2012. This request appropriates these funds to cover the costs of the program.

Housing and Human Services – Child Care Recruitment and Training – \$4,000

This request appropriates additional revenue for the Child Care Referral & Training program. This program charges fees for service for a variety of training activities that are provided to the child care community and potential family child care providers seeking to become licensed. Fees are also charged for licensing application packets that are purchased from the state and distributed locally. In addition, this year fees were collected from the Latina family child care provider support group (LUMMA) and used to pay Spanish speaking trainers who provided required continuing education hours. The fees collected by this program are expended to pay trainers, purchase training materials and produce training notebooks and folders. The fees help cover the costs associated with providing training services to the community.

Police – Click it and Ticket Grant 2012 – \$2,800

This request appropriates additional revenue received from a grant from the Colorado Department of Transportation, Office of Transportation Safety. The grant will provide \$2,800 in Police Officer overtime for Seatbelt Enforcement during the July Nighttime Click it or Ticket Enforcement Campaign.

Police – COVA Scholarship – \$7,040

This request appropriates additional revenue received from the Colorado Office of Victim Advocates (COVA). These funds are used to send the Victim Advocates and several officers to the annual training and conference for Victim Advocates. Victim Advocates help members of the community who have been victims of and/or witnessed violent crimes.

Police – Donations – \$15,720

This request appropriates additional revenue from donations received from the Teergarden estate and the Boulder Police Academy Alumni. These funds will be used for construction of a display case of memorabilia that was also donated by the Teergarden estate.

Police – Insurance Proceeds – \$9,000

This request appropriates additional revenue from Insurance Proceeds. These funds will be allocated to the department's vehicle account. Insurance proceeds are received from insurance companies who reimburse the department for the damages to patrol vehicles caused by their clients. Repairs are paid out of the departments vehicle account. The

department does not budget for damages to vehicles caused by outside parties.

Police - JAG 2012 - \$53,721

This request appropriates additional revenue received from the U.S. Department of Justice, Office of Justice Programs, for the 2012 Edward Byrne Justice Assistance Grant (JAG) from a joint submission with the City of Longmont Police Department. The JAG provides \$22,904 to the Boulder Police Department for gas mask filters, a multi-shot launcher, rifles, and night vision capable sights. This equipment will be used to prevent and control crime in the community. The balance of the grant, \$30,817, was awarded to the Longmont Police Department, which will continue to fund the Longmont Ending Violence Initiative.

Police - Miscellaneous Services - \$30,400

This request appropriates additional revenue received from American Medical Response (AMR) for use of the Communications Center to dispatch their services on emergency calls, and revenue received for Code Enforcement for snow removal on community properties that do not comply under the city ordinance guidelines for snow removal. These funds will cover associated costs in Communications and in Code Enforcement.

Police - Off Duty Overtime - \$250,000

This request appropriates additional revenue to offset expenditures from Off Duty Police Overtime Services. Off Duty Overtime is entirely reliant upon revenue received by the contracting vendors.

Police - Open Records Research - \$54,600

This request appropriates funds received from Open Records Research. Of these funds, \$16,380 was collected for copies of dispatch tapes and CDs for the District Attorney, lawyers, and clients. The other \$38,220 was collected for providing copies of records to the public, newspapers, lawyers, and insurance companies. These funds will be applied toward costs of the new communications tower at Golden West.

Police - SWAT Donations - \$1,000

This request appropriates funds from SWAT donations to fund equipment purchases.

Police - Training Classes - \$30,500

This request appropriates revenue from multi-agency training provided by the department. The training unit collected funds from outside agencies and these funds will offset the expenditures, including outside instructors. Multi-agency training is important to the department's need for advanced training at no cost. Each agency pays for instructors, and the department receives two to four slots free per class.

Police - Blood/Chemical Testing - \$22,350

This request appropriates funds for blood and chemical testing in DUI enforcement. State law requires that the fees charged be returned to the testing agency to offset expenses.

General Fund Transfer(s) to Other Funds

Citywide - Transfer of UHGID Additional Parking Fees - \$25,000

Parking revenue from UHGID is expected to be higher than projected for 2012. This request transfers that additional revenue to UHGID.

Citywide - Transfer of Photo Radar Revenue to Transportation Fund - \$105,820

This request transfers half of 2011 photo enforcement surplus revenues from the General Fund to the Transportation Fund. From 1998 to 2003, the Transportation Fund subsidized the Photo Radar Enforcement Program in the amount of \$846,687. An agreement was established that this subsidy would be paid back from future photo radar enforcement revenue. From 2004-2010, the Transportation Fund received transfers of \$520,361. After this requested transfer of \$105,820, the remaining balance to refund the subsidy is \$220,506.

General Fund Transfer(s) From Other Funds

Citywide - Interest Income - \$29,000

This request transfers interest revenue from the Recreation Activity Fund in the amount of \$14,000 and from the .15 Cent Sales Tax Debt Service fund in the amount of \$15,000.

General Fund Budget Adjustment(s) Necessitated by Accounting Requirements

Citywide - Transfer from the .15 Cent Sales Tax Debt Service - \$1,241,000

This request transfers funds from the .15 Cent Sales Tax Debt Service Fund to the General Fund. The bond documents issuing \$7,000,000 in bonds in 1993 provide that the excess funds not needed for debt service and the recreation transfer in the .15 Cent Sales Tax Debt Service Fund be transferred to the General Fund each year.

General Fund Negative Appropriation

Finance - Negative Appropriation - (\$1,688)

This request corrects for an audit entry that resulted in an overstated carryover amount in 2012. This adjustment will align ordinances with audited financial information.

Housing and Human Services - Grant Revenue Adjustment (\$32,710)

The Division of Children Youth and Families (CYF) of the Housing and Human Services Department has received less grant funding than initially anticipated in 2012. This request reduces the appropriation for grant funded programs in CYF.

Increase in Revenue

IT- Transfer from Fund 260 – \$2,500

This request increases estimated revenue only. A transfer requested in the first ATB was intended to be from additional revenue instead of fund balance.

PLANNING AND DEVELOPMENT SERVICES FUND

Budget Supplemental(s) from Additional Revenue

CP&S – 2012 Historic Preservation Grant – \$23,800

This request appropriates a Certified Local Government grant to fund the preparation of a historic preservation plan.

.25 CENT SALES TAX FUND

Budget Supplemental(s) from Additional Revenue

Parks and Recreation – Columbia Cemetery Donations – \$148

This request appropriates donations received from the community and will be used to help offset costs associated with the repair and maintenance of gravestones at the Columbia Cemetery.

Parks and Recreation – Valmont Bike Park Donations – \$6,711

This request appropriates donations received from Boulder Mountain Bike Alliance, PLAY Boulder Foundation, and various private donations. Funds will be used for the construction and continued maintenance of Valmont Bike Park.

LIBRARY FUND

Budget Supplemental(s) from Additional Revenue

Library – Adjustment to Overdrive Fee Collection – \$2,000

In 2005, the library entered into a cost-sharing arrangement with the Cities of Loveland, Lafayette, Broomfield, Westminster, Louisville and Longmont to allow their patrons to use the Overdrive downloadable content service. This request appropriates funds received to offset associated costs.

Library – Fines and Fees – \$15,000

This request appropriates additional revenue from collection of overdue or lost books. The proceeds from library fines and fees supplement the library materials acquisition budget.

Library – Book Sales – \$18,000

This request appropriates additional revenue from book sales. In June 2009, the Library assumed responsibility for used book sales. Prior to that time, used books were sold by, and proceeds were retained by, the Boulder Public Library Foundation. Proceeds from used books sales supplement the library materials acquisition budget.

Library – Carnegie Photos– \$3,000

In 2004, a service to provide scanning of historic photographs was implemented. This request appropriates revenues from this service to offset the cost of digitizing the photographic collections, equipment maintenance and equipment replacement.

RECREATION ACTIVITY FUND

Budget Supplemental(s) from Fund Balance

Parks and Recreation – Leisure Links Grants – \$6,852

This request appropriates funding received from PLAY Boulder Foundation to support Leisure Links, a summer program serving youth between 11–21 years of age, with developmental disabilities. The program provides a variety of fun and educational activities for these youth, including trips to museums, arts, crafts, sports and swimming. The revenue was received in 2011.

Parks and Recreation – Energy Performance Contract – \$54,185

This request appropriates funds for additional financing of the energy performance contract. The amount contains additional financing owed by the department determined after Phase One of the project was completed as well as a payment to FAM for envelope improvements and other energy related efficiencies for P&R facilities across the City.

Budget Supplemental(s) from Additional Revenue

Parks and Recreation – EXPAND Scholl Grant – \$42,750

This requests appropriates grant revenue received from the Dr. Scholl Foundation to be used for the EXPAND program. EXPAND program will use the proceeds to fund the Outdoor Adventure Camp Program, Youth Services Initiative, and other EXPAND programs and services.

Parks and Recreation – EXPAND Scholarships – \$5,040

This requests appropriates a donation from PLAY Boulder Foundation for the EXPAND Scholarship program. Funding will be used to create scholarships for people with disabilities so that they may participate in the EXPAND programs.

Parks and Recreation – Boulder County EXPAND Grant– \$16,113

This request appropriates a grant received from Boulder County for the EXPAND

program. Funds will be used to provide weekly Special Olympic sport training programs and will assist with inclusion costs. Inclusion is the process of providing accommodations to individuals with disabilities to enable them to participate in general recreation programs. One example of this cost is the hiring of additional staff or interpreters for persons who are deaf.

Parks and Recreation – Leisure Links Grants– \$4,415

This request appropriates funding received in 2012 from PLAY Boulder Foundation to support Leisure Links, a summer program serving youth between 11–21 years of age, with developmental disabilities.

Parks and Recreation – YOAB Get Fit Grant– \$6,362

This request appropriates grant funds from the Youth Opportunity Advisory Board (YOAB) for the Get Fit Grant. The grant helps the Youth Services Initiative (YSI) program facilitate positive development of youth by empowering them to make positive choices for healthy lifestyle and leisure pursuits. The YSI program coordinates after-school and summer camp programs for children who reside in low-income sites throughout the community.

Transfer(s) from Other Funds

Parks and Recreation – Transfer of Interest to General Fund – \$14,000

This request transfers interest revenue from the Recreation Activity Fund to the General Fund.

CLIMATE ACTION PLAN TAX FUND

Increase in Revenue

Community Planning and Sustainability – Increase in Revenue – \$17,699

This request increases estimated revenue only. In order to comply with grant accounting rules, grant carryover appropriation requests must be made from additional revenue. In the first ATB, for the balance of an EECBG grant received, appropriation was requested from fund balance. This adjustment aligns ordinances with accounting requirements.

Community Planning and Sustainability – Increase in Revenue – \$33,500

This request increases estimated revenue only. In order to comply with grant accounting rules, grant carryover appropriation requests must be made from additional revenue. In the first ATB, for the balance of an EECBG grant received, appropriation was requested from fund balance. This adjustment aligns ordinances with accounting requirements.

OPEN SPACE FUND

Budget Supplemental(s) from Additional Revenue

Open Space and Mountain Parks (OSMP) – Sale of Stratton Property – \$528,849

This request appropriates funds to the Real Estate acquisition CIP account from the sale of property owned by OSMP to a private party.

Open Space and Mountain Parks – Rocky Mountain Fire Station – \$305,868

This request appropriates funds to the Real Estate acquisition CIP account from proceeds of land sold to Rocky Mountain Fire for a new fire station.

Open Space and Mountain Parks – Sale of Neva/Niwot Right of Way to CDOT – \$37,984

This request appropriates funds to the Real Estate acquisition CIP account from proceeds from the sale of Neva/Niwot right of way on Open Space & Mountain Parks to Boulder County.

Open Space and Mountain Parks – Bison Drive Fire Mitigation – \$37,333

This request appropriates grants from the Colorado State Forest Service to help OSMP implement the council approved Forest Ecosystem Management Plan. The goal of the Plan and related work is to protect the community from the threat of wildfire and improve the health of city forests.

Open Space and Mountain Parks – Sale of Belgrove Right of Way to CDOT– \$21,030

This request appropriates funds to the Real Estate acquisition CIP account from proceeds from the sale of Belgrove right of way on Open Space & Mountain Parks to CDOT.

Open Space and Mountain Parks – Trail Stewardship and Conservation Grant – \$650

This request appropriates a grant from the Colorado Mountain Club to collaboratively define a trail system to be used by climbers to access various routes along Flagstaff Road. Currently, no trail system exists and there is extensive resource damage. In addition to designating a trail system, restoration of the surrounding areas will occur.

Transfer(s) to Other Funds

Open Space and Mountain Parks – Valmont Butte Cleanup – \$87,183

This request transfers funds from OSMP to the Facility Renovation and Replacement Fund. The funds will be used for the Valmont Butte Cleanup. This amount includes \$15,000 for legal expenses and \$72,183 for OSMP's portion of the cleanup efforts.

TRANSPORTATION FUND

Budget Supplemental(s) from Additional Revenue

Public Works – Broadway Euclid Transit Improvements – \$407,385

This request appropriates external funding for the transit improvements in the Broadway Euclid Project. External funding includes \$350,000 from CDOT FASTER funds (Funding Advancement for Surface Transportation and Economic Recovery) for transit related project costs. External funding also includes \$19,128 from the University of Colorado and \$38,256 from RTD for their share of the costs (25% and 50%, respectively) incurred for a new RTD bus layover area and related infrastructure along Euclid Avenue between Broadway and 18th Street on the University of Colorado campus. Prior appropriations for this project total \$7,938,625, with \$5,647,000 of this total supported by external funding sources.

Public Works – Gregory Lane Retaining Wall – \$50,000

This request appropriates contributions from a property owner and their insurance company as part of a court mediated settlement with the city to repair a retaining wall encroaching onto Gregory Lane. The total project cost is estimated at \$110,000, and the city's share of \$60,000 will be funded equally between Transportation and Development Review through existing appropriations.

Public Works – 28th Street Multi-Use Path Enhancements – \$50,000

This request appropriates contributions from the University of Colorado to support additional construction enhancements in coordination with the 28th Street multi-use path from Colorado to Baseline.

Transfer(s) from Other Funds

Public Works – Transfer of Photo Radar Revenue – \$105,820

This request transfers half of 2011 photo enforcement surplus revenues from the General Fund to the Transportation Fund. From 1998 to 2003, the Transportation Fund subsidized the Photo Radar Enforcement Program in the amount of \$846,687. An agreement was established that this subsidy would be paid back from future photo radar enforcement revenue. From 2004–2010, the Transportation Fund received transfers of \$520,361. After this requested transfer of \$105,820, the remaining balance to refund the subsidy is \$220,506.

Negative Appropriation

Public Works – Correct Encumbrance Carryover – (329,099)

An error in the city's 2011 to 2012 encumbrance carryover system roll caused an appropriation to be overstated in the first ATB. This adjustment aligns ordinances with audited financial information.

COMMUNITY DEVELOPMENT BLOCK GRANT

Budget Supplemental(s) from Additional Revenue

Housing and Human Services – Medical and Dental Rebates – \$501

This request appropriates funding from medical and dental insurance rebates received in the fund. Funding will be used to offset personnel benefits costs.

HOME FUND

Budget Supplemental(s) from Additional Revenue

Housing and Human Services – Medical and Dental Rebates – \$455

This request appropriates funding from medical and dental insurance rebates received in the fund. Funding will be used to offset personnel benefits costs.

PERMANENT PARKS AND RECREATION FUND

Increase in Revenue

Parks and Recreation– Transfer from Fund 260 – \$230,000

This request increases estimated revenue only. A transfer requested in the first ATB was intended to be from additional revenue instead of fund balance.

FIRE TRAINING CENTER CONSTRUCTION FUND

Transfer(s) to Other Funds

Public Works – Wildland Fire Center transfer to 2011 Capital Improvement Bond Fund – \$238,000

This request transfers the Fire Training Center's portion of the planned Wildland Fire Training Center.

Negative Appropriation

Public Works – Negative Appropriation – (\$238,000)

This request reduces a previously approved appropriation in this fund in order to transfer the funds to the 2011 Capital Improvement Bond Fund and consolidate the funding for the Wildland Fire Center.

BOULDER JUNCTION IMPROVEMENT FUND

Budget Supplemental(s) from Additional Revenue

Public Works – Boulder Junction Utility Undergrounding – \$41,384

This request appropriates \$41,384 in external funding provided by Comcast and CenturyLink. This funding comes from a cost sharing agreement for utility undergrounding activities on Pearl Street in the Boulder Junction Area. The request includes a contribution from Comcast of \$26,642 and a contribution from CenturyLink of \$14,742.

2011 CAPITAL IMPROVEMENT BOND FUND

Budget Supplemental(s) from Additional Revenue

Citywide –Bond Premiums – \$334,322

This request appropriates funds received from the 2011 Capital Improvement Bond to cover underwriter fees. Previous accounting rules allowed for these fees to be netted out when accounting for bond revenues. This is no longer the case and the revenues and expenditures must now be shown. This adjustment allows the city to appropriately state the revenue and expenditure per current accounting rules.

Transfer(s) from Other Funds

Fire – Transfer for Wildland Fire Station – \$400,000

This requests transfers funds from the OSMP Fund for the Wildland Fire Station. These funds, previously appropriated for this purpose in the OSMP Fund are being consolidated into the 2011 Capital Improvement Bond Fund for ease of expending.

Fire – Transfer for Wildland Fire Station – \$238,000

This requests transfers funds from the Fire Training Center Construction Fund for the Wildland Fire Station.

.15 CENT SALES TAX DEBT SERVICE FUND

Transfer(s) to Other Funds

Citywide – Transfer of Interest – \$15,000

This request transfers interest earned in this fund to the General Fund.

Budget Adjustment(s) Necessitated by Accounting Requirements

Citywide – Transfer from the .15 Cent Sales Tax Debt Service – \$1,241,000

This request transfers funds from the .15 Cent Sales Tax Debt Service to the General Fund. The bond documents issuing \$7,000,000 in bonds in 1993 provide that the excess funds not needed for debt service and the recreation transfer in the .15 Cent

Sales Tax Debt Service Fund be transferred to the General Fund each year.

WATER UTILITY FUND

Budget Supplemental(s) from Fund Balance

Public Works – Electric Costs – \$35,000

This request appropriates an additional \$35,000 from fund balance in the Water Fund for electric costs. This summer saw increased water treatment demands at the Boulder Reservoir Plant due to hot, dry weather and the availability of raw water supplies affected by drought conditions. Delivering water from this plant increases electric costs, because the lower elevation requires pumping into the distribution system. Revenues in this fund from increased water sales are expected to offset the associated increase in treatment costs.

Public Works – Energy Performance Contracts Payments – \$83,700

This request appropriates \$83,700 from fund balance in the Water Fund for paying back project costs for the Energy Performance Contract energy efficiency upgrades. This project included installing solar panels and lighting upgrades at both Water Treatment Facilities. While these upgrades resulted in energy savings at these facilities, total electric costs in 2012 have increased due to greater water treatment demands. Upgrades effecting the Wastewater and Stormwater/Flood Management Funds will be funded using existing appropriations.

Negative Appropriation

Public Works – Negative Appropriation – (\$3,778)

An error in the city's 2011 to 2012 encumbrance carryover system roll caused an appropriation to be overstated in the first ATB. This adjustment aligns ordinances with audited financial information.

WASTEWATER UTILITY FUND

Budget Supplemental(s) from Additional Revenue and Fund Balance

Public Works – Wastewater Refunding Bonds – \$31,543,923

This request appropriates debt service payments from proceeds of the refunding of the Water and Sewer Revenue Bonds. The request appropriates \$30,914,785 from the refunding bond proceeds as new revenue and \$629,138 from fund balance.

Transfer(s) to Other Funds

Public Works – Transfer for Valmont Butte Cleanup – \$348,734

This request transfers funds from the Wastewater Utility Fund to Facility Renovation and

Replacement. The funds will be used for the Valmont Butte cleanup project. This amount includes \$60,000 for legal expenses and \$288,734 for the Wastewater Fund's portion of the cleanup efforts.

TELECOMMUNICATIONS FUND

Transfer(s) from Other Funds

IT- Reimbursement from Equipment Replacement – \$14,500

This request transfers funds from the Equipment Replacement Fund to the Telecommunications Fund. This is a reimbursement to IT for the Water Treatment Plant's portion of the new VoIP phone system.

FLEET REPLACEMENT FUND

Budget Supplemental from Fund Balance

Public Works – Replacement of Dump Trucks – \$1,460,000

This request increases appropriation to fund the replacement of several existing fleet units: four dump trucks with snow equipment and two large wheeled loaders as requested by the Transportation & Utilities Maintenance Coordinator. These existing units are due to be replaced in 2013. By placing the orders this fall rather than waiting until sometime in 2013, price increases anticipated for 2013 can be avoided.

EQUIPMENT REPLACEMENT FUND

Transfer(s) to Other Funds

Public Works – Transfer to Telecommunication Fund – \$14,500

This request transfers funds from the Equipment Replacement Fund to the Telecommunications Fund. This is a reimbursement to IT for the Water Treatment Plant's portion of the new VoIP phone system.

FACILITY RENOVATION AND REPLACEMENT FUND

Budget Supplemental from Fund Balance

Public Works – Additional Valmont Butte Cleanup – \$435,917

This request appropriates funds for additional Valmont Butte Voluntary Cleanup Program (VCUP) expenses. The appropriation is from fund balances in the Facility Renovation and Replacement Fund. The revenue has already been transferred from the General Fund. This amount includes \$75,000 for legal services and \$360,917 for

cleanup efforts and represents the General Fund portion of the cost sharing agreement.

Public Works – Modify City Attorney’s Office – \$92,500

This request appropriates funding to modify the City Attorney's Office for more efficient use of space. Funding for this request has been saved in advance for this purpose in the Facility Renovation and Replacement Fund.

Public Works – CAGID Projects – \$82,000

This request appropriates funding for major maintenance projects for CAGID such as HVAC repairs at 1100 Spruce and a landscape project at the 14th Street Lot. Funding for this request has been saved in advance for this purpose in the Facility Renovation and Replacement Fund.

Public Works – UHGID Projects – \$10,500

This request appropriates funding for the replacement of two light poles for the University Hill area. Funding for this request has been saved in advance for this purpose in the Facility Renovation and Replacement Fund.

Transfer(s) from Other Funds

Public Works – Transfer for Valmont Butte from Wastewater– \$348,734

This request transfers funds from the Wastewater Fund for additional Valmont Butte cleanup project expenses.

Public Works – Transfer for Valmont Butte from OSMP– \$87,183

This request transfers funds from the OSMP Fund for additional Valmont Butte cleanup project expenses.

**REQUEST BY FUND AND DEPT
2ND BUDGET SUPPLEMENTAL OF 2012**

Fund	Dept	Type / Item	Source		Increase (Decrease) in Revenue
			Budget Supplemental	Additional Revenue	
GENERAL FUND					
Budget Supplemental(s) from Fund Balance					
	City Manager	Education Access Funding (PEG)	379,412		379,412
	Citywide	Police Pensions - Annual Required Contribution	77,768		77,768
	Citywide	Fire Pensions - Annual Required Contribution	62,600		62,600
	Citywide	Unemployment insurance	56,000		56,000
	CP&S	Grandview Bungalows Contingency Funding	150,000		150,000
Budget Supplemental(s) from Fund Balance Reserves					
	Police	Federal Asset Forfeiture	103,467		103,467
Budget Supplemental(s) from Additional Revenue					
	City Manager	Education Access Funding (PEG)	73,230	73,230	
	City Manager	Channel 8 Revenue	25,025	25,025	
	Citywide	Medical and Dental Rebates to Employees, Retirees, COBRA, and BHP	65,155	65,155	
	DUHMD	Credit Card Fees	12,000	12,000	
	Fire	Reimbursement for fire extinguisher classes	2,200	2,200	
	Fire	Reimbursement for standby fire personnel at special events	9,151	9,151	
	Fire	Donation	1,000	1,000	
	Fire	Wildfire Response Reimbursement	456,893	456,893	
	HHS	Boulder Housing Partners PILOT	12,946	12,946	
	HHS	CCSR 2012 Longmont Childcare-new grant	86,001	86,001	
	HHS	Silver Sneakers	15,000	15,000	
	HHS	Encore Program	5,000	5,000	
	HHS	Child Care Recruitment & Training	4,000	4,000	
	Police	Click it or Ticket Grant 2012	2,800	2,800	
	Police	COVA Scholarship	7,040	7,040	
	Police	Donations	15,720	15,720	
	Police	Insurance Proceeds	9,000	9,000	
	Police	JAG 2012	53,721	53,721	
	Police	Miscellaneous Services	30,400	30,400	
	Police	Off Duty Overtime	250,000	250,000	
	Police	Open Records Research	54,600	54,600	
	Police	SWAT Donations	1,000	1,000	
	Police	Training Classes	30,500	30,500	
	Police	Blood/Chemical Testing	22,350	22,350	
Transfer(s) to Other Funds					
	Citywide	Transfer of UHGID Extra Parking Fees	25,000	25,000	
	Citywide	Transfer to Transportation Fund Surplus Photo Enforcement Revenue	105,820		105,820
Transfer(s) from Other Funds					
	Citywide	Interest Income from Rec Activity Fund			14,000
	Citywide	Interest Income from .15 Cent Sales Tax Debt Service Fund			15,000
Budget Adjustment(s) Necessitated by Accounting Requirements					
	Citywide	Transfer from .15 Cent Sales Tax Debt Service Fund - Increase in Revenue Only			1,241,000
Negative Appropriation					
	Finance	Correction of Accounting Entry	(1,688)		(1,688)
	HHS	Grant Revenue Adjustment	(32,710)	(32,710)	
Increase in Revenue					
	IT	Correction of entry from the first ATB			2,500
Subtotal			\$ 2,170,401	\$ 1,237,022	\$ 933,379
				\$	\$ 1,272,500

**REQUEST BY FUND AND DEPT
2ND BUDGET SUPPLEMENTAL OF 2012**

Fund	Dept	Type / Item	Budget Supplemental	Source		Increase (Decrease) in Revenue
				Additional Revenue	Fund Balance	
PLANNING AND DEVELOPMENT SERVICES FUND						
Budget Supplemental(s) from Additional Revenue						
	CP&S	2012 Historic Preservation Grant	23,800	23,800		
		Subtotal	\$ 23,800	\$ 23,800	\$ -	\$ -
.25 CENT SALES TAX (1995 Ballot Issue)						
Budget Supplemental(s) from Additional Revenue						
	Parks and Rec	Columbia Cemetery Donations	148	148		
	Parks and Rec	Valmont Bike Park donations	6,711	6,711		
		Subtotal	\$ 6,859	\$ 6,859	\$ -	\$ -
LIBRARY FUND						
Budget Supplemental(s) from Additional Revenue						
	Library/Arts	Adjustment to Overdrive Fee Collection	2,000	2,000		
	Library/Arts	Library Fines and Fees	15,000	15,000		
	Library/Arts	Book Sales	18,000	18,000		
	Library/Arts	Carnegie Photos	3,000	3,000		
		Subtotal	\$ 38,000	\$ 38,000	\$ -	\$ -
RECREATION ACTIVITY FUND						
Budget Supplemental(s) from Fund Balance						
	Parks and Rec	Leisure Links Grants	6,852		6,852	
	Parks and Rec	Energy Performance Contract	54,185		54,185	
Budget Supplemental(s) from Additional Revenue - Grants						
	Parks and Rec	EXPAND Scholl Grant	42,750	42,750		
	Parks and Rec	EXPAND Scholarships	5,040	5,040		
	Parks and Rec	Boulder County EXPAND Grant	16,113	16,113		
	Parks and Rec	Leisure Links Grants	4,415	4,415		
	Parks and Rec	YOAB Get Fit Grant	6,362	6,362		
Transfer(s) to Other Funds						
	Parks and Rec	Transfer of Interest to General Fund	14,000	14,000		
		Subtotal	\$ 149,717	\$ 88,680	\$ 61,037	\$ -
CLIMATE ACTION PLAN FUND						
Increase in Revenue						
	CP&S	EECBG Grant -Residential Retrofits				17,699
	CP&S	EECBG Grant -Commercial Retrofits				33,500
		Subtotal	\$ -	\$ -	\$ -	\$ 51,199
OPEN SPACE FUND						
Budget Supplemental(s) from Additional Revenue						
	OSMP	Sale of Stratton property	528,849	528,849		
	OSMP	Rocky Mountain Fire Station	305,868	305,868		
	OSMP	Sale of Neva/Niwot right of way	37,984	37,984		
	OSMP	Bison Drive Fire Mitigation	37,333	37,333		
	OSMP	Sale of Belgrove right of way to CDOT	21,030	21,030		
	OSMP	Trail Stewardship and Conservation Grant	650	650		
Transfers to Other Fund						
	OSMP	Valmont Butte - VCUP transfer to FAM	87,183		87,183	
		Subtotal	\$ 1,018,897	\$ 931,714	\$ 87,183	\$ -

**REQUEST BY FUND AND DEPT
2ND BUDGET SUPPLEMENTAL OF 2012**

Fund	Dept	Type / Item	Budget Supplemental	Source		Increase (Decrease) in Revenue
				Additional Revenue	Fund Balance	
TRANSPORTATION FUND						
		Budget Supplemental(s) from Additional Revenue				
	PW	Broadway Euclid Transit Improvements	407,385	407,385		
	PW	Gregory Lane Retaining Wall	50,000	50,000		
	PW	28th Street Multi-Use Path Enhancements	50,000	50,000		
		Transfer(s) from Other Funds				
	PW	Transfer to Transportation Fund Surplus Photo Enforcement Revenue				105,820
		Negative Appropriation				
	PW	Correction of Accounting Entry	(329,099)		(329,099)	
		Subtotal	\$ 178,286	\$ 507,385	\$ (329,099)	\$ 105,820
COMMUNITY DEVELOPMENT BLOCK GRANT						
		Budget Supplemental(s) from Additional Revenue				
	HHS	Medical and Dental Rebates	501	501		
		Subtotal	\$ 501	\$ 501	\$ -	\$ -
HOME FUND						
		Budget Supplemental(s) from Additional Revenue				
	HHS	Medical and Dental Rebates	455	455		
		Subtotal	\$ 455	\$ 455	\$ -	\$ -
PERMANENT PARKS AND RECREATION						
		Increase in Revenue				
	Parks and Rec	Correction of entry from the first ATB				230,000
		Subtotal	\$ -	\$ -	\$ -	\$ 230,000
FIRE TRAINING CENTER CONSTRUCTION FUND						
		Transfer(s) to Other funds				
	PW	Wildland Fire Center transfer to Capital Improvement Fund - City Match	238,000		238,000	
		Negative Appropriation				
	PW	Negative Appropriation	(238,000)		(238,000)	
		Subtotal	\$ -	\$ -	\$ -	\$ -
BOULDER JUNCTION IMPROVEMENT FUND						
		Budget Supplemental(s) from Additional Revenue				
	PW	Boulder Junction Utility Undergrounding	41,384	41,384		
		Subtotal	\$ 41,384	\$ 41,384	\$ -	\$ -
2011 CAPITAL IMPROVEMENT FUND						
		Budget Supplemental(s) from Additional Revenue				
	Citywide	Capital Improvement Bond and additional bond premiums covering underwriter fees	334,322	334,322		
		Transfer(s) from Other Funds				
	Fire	Transfer from OSMP for Wildland Fire Station	400,000	400,000		
	Fire	Transfer from Fire Training Center Fund	238,000	238,000		
		Subtotal	\$ 972,322	\$ 972,322	\$ -	\$ -
.15 CENT SALES TAX DEBT SERVICE FUND						
		Transfer(s) to Other Funds				
		Transfer of Interest to General Fund	15,000	15,000		
		Budget Adjustment(s) Necessitated by Accounting Requirements				
	Citywide	Transfer to General Fund - Accounting Adjustment	1,241,000	1,241,000		
		Subtotal	\$ 1,256,000	\$ 1,256,000	\$ -	\$ -
Packet page number	80					

**REQUEST BY FUND AND DEPT
2ND BUDGET SUPPLEMENTAL OF 2012**

Fund	Dept	Type / Item	Budget Supplemental	Source		Increase (Decrease) in Revenue
				Additional Revenue	Fund Balance	
WATER UTILITY FUND						
		Budget Supplemental(s) from Fund Balance				
	PW	Electric Costs	35,000		35,000	
	PW	Energy Performance Contract Payments	83,700		83,700	
		Negative Appropriation				
	PW	Correction of Accounting Entry	(3,778)		(3,778)	
		Subtotal	\$ 114,922	\$ -	\$ 114,922	\$ -
WASTEWATER UTILITY FUND						
		Budget Supplemental(s) from Additional Revenue				
	PW	Refunding Bond Proceeds	31,543,923	30,914,785	629,138	
		Transfer(s) to Other Funds				
	PW	Transfer to Facility and Renovation and Replacement for Valmont Butte clean up	348,734		348,734	
		Subtotal	\$ 31,892,657	\$ 30,914,785	\$ 977,872	\$ -
TELECOMMUNICATIONS FUND						
		Transfer(s) from Other Funds				
	IT	Transfer from Equipment Replacement Fund				14,500
		Subtotal	\$ -	\$ -	\$ -	\$ 14,500
FLEET REPLACEMENT FUND						
		Budget Supplemental(s) from Fund Balance				
	PW	Replacement of dump trucks with snow equipment and loaders	1,460,000		1,460,000	
		Subtotal	\$ 1,460,000	\$ -	\$ 1,460,000	\$ -
EQUIPMENT REPLACEMENT FUND						
		Transfer(s) to Other Funds				
	PW	Transfer to Telecommunication Fund	14,500		14,500	
		Subtotal	\$ 14,500	\$ -	\$ 14,500	\$ -
FACILITY RENOVATION AND REPLACEMENT FUND						
		Budget Supplemental(s) from Fund Balance				
	PW	Additional Valmont Butte Clean up	435,917		435,917	
	PW	City Attorney's Office Remodel	92,500		92,500	
	PW	CAGID Projects: HVAC and Landscape	82,000		82,000	
	PW	UHGID Projects: Light Poles	10,500		10,500	
		Transfer(s) from Other Funds				
	PW	Transfer from Wastewater Fund for Valmont Butte	348,734	348,734		
	PW	Transfer from OSMP Fund for Valmont Butte	87,183	87,183		
		Subtotal	\$ 1,056,834	\$ 435,917	\$ 620,917	\$ -
		Total General Fund	2,170,401	1,237,022	933,379	1,272,500
		Total Restricted Funds	38,225,132	35,217,801	3,007,331	401,519
		Total All Funds	\$ 40,395,533	\$ 36,454,823	\$ 3,940,710	\$ 1,674,019

**2012 FUND ACTIVITY SUMMARY
2ND BUDGET SUPPLEMENTAL OF 2012**

Fund	At January 1, 2012			Appropriation Ordinances		Carryover & 1st Budget Supplemental		2nd Budget Supplemental		Projected Dec 31, 2012
	Unreserved Fund Balance	Original Estimated Revenues (Including Xfers In)	Appropriations (Including Xfers Out)	Increase in Estimated Revenues	Additional Appropriation	Increase in Estimated Revenues	Appropriations (Including Xfers Out)	Increase in Estimated Revenues	Appropriations (Including Xfers Out)	Fund Balance
General	25,342,283	104,299,000	103,683,661			3,027,564	10,407,472	2,509,522	2,170,401	18,916,835
Capital Development	5,907,062	303,018	132,069			0	475,000	0	0	5,603,011
Lottery	1,228,134	857,530	1,000,000			0	1,018,099	0	0	67,565
Planning and Development Services	5,170,922	8,409,198	8,954,894			45,000	600,421	23,800	23,800	4,069,804
Affordable Housing	3,925,770	1,532,663	1,529,202			5,376,903	9,306,133	0	0	0
Community Housing Assistance Program	2,758,760	2,197,469	2,194,540			0	2,761,689	0	0	0
.25 Cent Sales Tax	2,650,152	6,860,754	7,174,683			5,679	1,647,290	6,859	6,859	694,612
Library	1,219,806	7,319,967	7,319,966			10,177	318,191	38,000	38,000	911,793
Recreation Activity	437,774	9,724,830	9,582,543			33,867	233,721	88,680	149,717	319,170
Climate Action	1,354,159	1,795,330	1,795,330			0	1,313,961	51,199	0	91,397
Open Space Fund	13,723,615	25,594,268	26,138,824			45,000	2,970,665	931,714	1,018,897	10,166,211
Airport Fund	376,647	425,065	447,928			319,440	358,550	0	0	314,675
Transportation	5,426,506	22,752,639	22,167,894			11,470,178	14,409,143	613,205	178,286	3,507,205
Transportation Development	2,264,996	720,000	714,585			0	1,800,946	0	0	469,465
Community Development Block Grant	0	810,497	810,497			569,481	569,481	501	501	0
Home Investment Partnership	0	1,132,947	1,132,947			1,794,019	1,794,019	455	455	0
Permanent Parks and Recreation	2,124,169	2,593,833	3,290,651			0	1,074,300	230,000	0	583,051
Fire Training Center Construction	369,656	0	0			0	369,655	0	0	1
Boulder Junction Improvement	946,590	1,223,582	229,000			93,079	924,270	41,384	41,384	1,109,981
2011 Capital Improvement	3,177,040	0	0	54,495,675	54,495,675	281,229	3,455,722	972,322	972,322	2,546
.15 Cent Sales Tax Debt Service	0	0	0					1,256,000	1,256,000	0
Water Utility	36,558,643	25,660,307	25,479,798			654,105	8,408,756	0	114,922	28,869,580
Wastewater Utility	19,632,239	13,789,563	16,009,312			600,318	8,305,640	30,914,785	31,892,657	8,729,297
Stormwater and Flood Management Utility	13,535,238	6,485,072	6,111,931			0	6,880,580	0	0	7,027,799
Telecommunications	1,093,079	738,918	834,895			0	14,800	14,500	0	996,802
Fleet	10,142,588	9,206,182	8,164,791			145,151	1,270,338	0	1,460,000	8,598,792
Computer Replacement	5,887,354	1,826,589	1,562,704			0	43,933	0	0	6,107,306
Equipment Replacement	5,654,682	853,885	2,722,668			141,906	271,198	0	14,500	3,642,107
Facility Renovation and Replacement	7,688,579	3,276,076	3,060,208	9,642,765	52,908	547,159	8,109,843	435,917	1,056,834	9,310,703



**CITY OF BOULDER
CITY COUNCIL AGENDA ITEM**

MEETING DATE: November 15, 2012

AGENDA TITLE

Second reading and consideration of a motion to adopt Ordinance 7879 or 7880 respectively, amending Chapter 4-23, "Neighborhood Parking Zone Permits," B.R.C. 1981, Section 4-23-2 to either remove the sunset provision and make commuter permits a permanent part of the program, or extend the sunset provision for an additional five years.

PRESENTER/S

Jane Brautigam, City Manager

Tom Carr, City Attorney

David Driskell, Executive Director, Community Planning and Sustainability

Molly Winter, Director, Downtown and University Hill Management Division and
Parking Services

Tracy Winfree, Director of Public Works for Transportation

Sandra Llanes, Assistant City Attorney III

Eric Guenther, Assistant Parking Manager, Parking Services

EXECUTIVE SUMMARY

On November 1, staff presented options for amending the existing code to make commuter permits an ongoing component of the Neighborhood Parking Permit (NPP) program.

There are at least three options to consider:

1. Amend the code to remove the sunset provision and make commuter permits a permanent part of the NPP program. (Ordinance 7879, Attachment A)
2. Do nothing and the commuter permit program will expire as of December 31, 2012. No ordinance is required with this item.
3. Amend the code to extend the sunset provision and continue the commuter permit program for an additional five years to December 31, 2017. (Ordinance 7880, Attachment B)

Staff is recommending Option 1, removing the sunset provision and keeping commuter permits as a permanent part of the NPP program, rather than Option 3 (continuing the sunset provision) because over the last 10 years, the balanced approach to residential, commuter and business permits with general public parking has worked, and it has been supported by the majority of users in both 2007 and 2012. However, both Options 1 and 3 would maintain the NPP program commuter permits during the implementation of the citywide access and parking policy project.

The Transportation Advisory Board (TAB's) recommendation is to extend the five year sunset to 2017 in order to continue to monitor the impact of the commuter permits on the program (Option 3). In addition, TAB passed a resolution to make parking issues, including NPP, a continued priority this year and each year for the foreseeable future. While the staff recommendation is to remove the sunset, an interdepartmental effort is also in development to take a comprehensive look at city parking policies, not only in managed districts but citywide, in relation to community mobility, economic vitality and trip reduction goals. That effort—involving DUHMD/PS, Transportation, and Community Planning and Sustainability—will be discussed with council toward the end of the first quarter or beginning second quarter of 2013.

Suggested Motion Language:

Staff requests council consideration of this matter and action in the form of the following motion:

Motion to adopt Ordinance No. 7879 amending Chapter 4-23, "Neighborhood Parking Zone Permits," B.R.C. 1981, Section 4-23-2 to remove the sunset provision and make commuter permits a permanent part of the program. **(Attachment A)**

OR

Motion to adopt Ordinance No. 7880 amending Chapter 4-23, "Neighborhood Parking Zone Permits," B.R.C. 1981, Section 4-23-2 to extend the sunset provision for an additional five years. **(Attachment B)**

First Reading Questions:

At first reading the following questions were presented by City Council:

Are the fees appropriate to achieve the parking goals? Is the rate adjusted for inflation? The cost to administer should increase every time.

The goal of the Neighborhood Parking Permit Program is to preserve the quality of life of neighborhoods through parking management in residential areas. The approach to pricing the permits has been that the revenue from the permits would cover the costs of administration of the program. The commuter permit fee has been established in relationship to other parking fees in the commercial district and market demand; the residential permit fees have traditionally been lower. Based on analysis of past revenues

and expenses, commuter permit fees were raised in 2004 from \$75 to \$78 per quarter; residential permit fees were increase in 2006 from \$15 per year to \$17 per year. The NPP commuter permits offer a more affordable option in pricing compared to the downtown garages at \$275 per quarter and surface lots at \$175 per quarter. The commuter permit pricing also reflects the fact that there is less reliability in finding a space.

As part of the NPP Annual Report, staff analyzes the revenues and expenses of the program yearly. Because there can be variances from year to year based on whether there are requests for new zones that require the expense of a survey, staff considers the data on a multiple year basis.

What percentage of commuters uses this program and what percent are from in and out of Boulder?

The majority of commuter permits are held in a business name; finding specific addresses of individual permit holders would take staff resources. Staff does know that the primary users are associated with the proximity of a major attraction, i.e. Goss Grove has a higher percentage of Boulder High School students and Whittier and Mapleton commuter users are primarily downtown employees. Of all the ten NPP zones, there is demand for commuter permits in six zones with most being sold in four – Goss/Grove, Mapleton, Uni Hill and Whittier. The other data that is known is from the recent downtown employee survey that indicates the following mode shares for downtown employees: drove alone – 34%; rode a bus – 24%; biked - 16%; walked – 9%; drove with another person – 8%; multi-modal – 7%; compressed work week – 2%; and worked at home – 1%. The survey also documents employee residency: 51% live in Boulder; 12% in Longmont, 10% in the Denver metro area, 8% in Louisville and Layette; the remainder is scattered throughout the region.

Why not go with TABs recommendation? Please draft ordinances for both options, not just staff option. Wants comprehensive review of parking, not just this one program, and connect it to the TMP Update. Why wasn't there more of a compromise? What is the involvement of Transportation in the review of the NPP?

The staff recommendation reflects the consistent and substantial support from the citizens living within the NPP zones to integrate the commuter permits permanently within the program. Surveys were conducted in 2007 and 2012 both indicate support for Option 1, making commuter permits permanent. In 2007 73% of respondents supported the option, and in 2012 71% showed their support. In addition, in the intervening years, staff has received minimal feedback regarding commuter permits. If there are complaints from residents regarding too many commuter permits on a block, staff conducts a survey and makes the necessary modifications to be in compliance with the NPP occupancy standards.

TAB's overarching perspective is a concern to understand how the NPP fits within the city's broader parking management policies – pricing, balance and management of parking in the city's parking districts as well as across the community. TAB's

deliberation did not demonstrate an interest in ending the commuter permit aspect of the NPP, rather it was more focused on preserving an opportunity to consider broader parking management, pricing and policy discussions.

A major work plan item for 2013 will be a comprehensive analysis and study encompassing all the city's access management strategies and how they integrate with the Transportation Master Plan (TMP) update. In response to TAB and a broader organizational interest to evaluate parking policy community-wide, a cross-departmental team from Transportation, Community Planning and Sustainability and Downtown and University Hill Management and Parking Services is developing a joint work effort to comprehensively evaluate the city's access and parking policies and management strategies. This broad policy evaluation would be incorporated into the Transportation Master Plan Update as appropriate. Staff is planning to present the scope of this integrated evaluation at a city council study session toward the end of the first quarter 2013. Prior to the study session, staff will reach out to other boards regarding the scope including TAB, Planning Board and the downtown, University Hill and Boulder Junction parking and access district boards.

Part of the disconnect is that the NPP program was created under a specific policy construct - addressing issues within residential areas to enhance quality of life while balancing other needs of adjoining traffic generators, i.e. downtown Boulder, University of Colorado and the Boulder high schools, rather than as part of the transportation/access/parking policy focus. However, the NPP has integrated into a number of our residential neighborhoods many of the fundamental parking management tools that are used very successfully in our downtown, University Hill and Boulder Junction areas - pricing, unbundling, shared use, and management - which do not exist in the rest of the city. A goal of the Access and Parking Management Strategy effort beginning in 2013 will be to understand how the NPP, as well as other city programs, fits within a coordinated policy framework.

Transportation staff's assessment of the overall NPP program is that it generally aligns with the Transportation Master Plan policies in that it manages and prices parking. The commuter permit aspect of the program allows for shared use of a public asset, a public street, among residents, visitors and employees/students (commuters). The extension of the commuter permit still allows for future adjustments of the overall NPP program, such as the balance and level of pricing, in the context of broader parking/access policy considerations. Whether or not the commuter permit is extended for five years or if the sunset is removed, an overall parking policy and management discussion is on the staff work program and is scheduled to come to council in the first half of 2013. While staff prefers the option of removing the commuter permit sunset, the overall parking policy and pricing discussion can proceed regardless of which of the two options is chosen.

Staff drafted ordinances reflecting both Option 1 and 3 (see Attachments A and B). No ordinance would be necessary for Option 2 in which the commuter permits program would expire at the end of this year (December 31, 2012).

BOARD AND COMMISSION FEEDBACK

At the October 8, 2012, meeting of the Transportation Advisory Board (TAB) the five members present voted 4-1 for the staff Option 3 to extend the sunset another 5 years to December 31, 2017. TAB cited several reasons for supporting Option 3: their desire to keep the commuter permit sunset order to “continue the conversation” about the NPP and maintain a check-in regarding the NPP program. In addition to their motion to support Option 3, TAB passed a resolution “to make parking issues, including NPP, a continued priority this year and each year for the foreseeable future to fully address the concerns that TAB has been discussing especially within the five years contemplated by a prospective sunset.” (Vote: 5-0)

PUBLIC FEEDBACK

In order to solicit feedback from NPP holders, all residential and commuter permit holders received a letter outlining the situation and seeking their feedback on the three options. The letter also informed them of the public hearing at TAB on October 8th. Staff received 140 responses as of August 1, 2012; approximately a 7% response rate. Out of those responses 71% (99) supported the staff recommendation – Option 1; 12% supported reinstating the 5 year sunset (16); 5% supported removing the option for commuter permits (7); and 12% either questioned or wished to remove the entire NPP program (18). The current support from the NPP community for removing the sunset is consistent with a similar survey conducted in 2007 in which 73% supported Option 1.

BACKGROUND AND ANALYSIS

For further information, please use this link to access the First Reading Memorandum. <S:\CMO\DUHMDPS\NPP\2012\Sunset\Npp Sunset Agenda 1st reading cmo Final.pdf>

QUESTION FOR COUNCIL

Which option does Council support?

Option 1. Change the ordinance to remove the sunset provision and make commuter permits a permanent part of the program.

Option 2. Do nothing and the commuter permits will expire as of December 31, 2012.

Option 3. Extend the sunset another 5 years to December 31, 2017.

Staff recommends Option 1 and TAB recommends Option 3.

ATTACHMENTS

A: Proposed Ordinance 7879 presenting Option 1 (removes sunset to make the program permanent)

B: Proposed Ordinance 7880 presenting Option 3 (extends sunset to 2017)

ORDINANCE NO. 7879

AN ORDINANCE AMENDING CHAPTER 4-23, "RESIDENTIAL PARKING PERMITS," B.R.C. 1981, TO REMOVE THE SUNSET PROVISION AUTHORIZING THE CITY MANAGER TO ESTABLISH PARKING PERMIT ZONES FOR RESIDENTS OF NEIGHBORHOODS IMPACTED BY NON-RESIDENTIAL PARKING AND PROHIBITING PARKING ON STREETS WITHOUT SUCH PERMITS FOR MORE THAN TWO HOURS ON WEEKDAYS, AND SETTING FORTH RELATED DETAILS.

WHEREAS, the City Council finds and recites the following:

- A. On May 6, 1986, the City Council adopted Ordinance No. 4966 amending Chapter 4-23, "Residential Parking Zone Permits," B.R.C. 1981, authorizing the city manager to establish parking permit zones for residents of neighborhoods impacted by non-residential parking and prohibiting parking on streets without such permits for more than two hours on weekdays.
- B. On April 15, 1997, the City Council amended Section 4-23-2, "Permit Issuance," B.R.C. 1981, to include a sunset provision. The city manager may issue non-resident commuter permits up to December 31, 2007, after which date the permit will no longer be available within neighborhood permit parking zones, unless reauthorization by City Council before that time.
- C. On December 4, 2007, the City Council amended Section 4-23-2, "Permit Issuance," B.R.C. 1981, to extend the commuter permit sunset provision for a five-year period until December 31, 2012.
- D. The permit issuance program has been in existence for fifteen years and has proven to be an effective and desirable program. There is no longer a desire for a sunset provision. Therefore, the sunset provision is removed and the program will remain in effect indefinitely unless a future City Council directs an ordinance change.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BOULDER,

COLORADO:

Section 1. Section 4-23-2(a), "Permit Issuance," B.R.C. 1981, is amended as follows:

4-23-2 Permit Issuance.

- (a) Upon designation of a neighborhood permit parking zone pursuant to section 2-2-15, "Neighborhood Permit Parking Zones," B.R.C. 1981, the city manager shall issue parking permits for vehicles owned by or in the custody of and regularly used by residents of such zone,

by persons employed by a business located within such zone, and, if provided in the zone, by individual nonresidents upon receipt of a completed application therefor and payment of the fees prescribed in section 4-20-49, "Neighborhood Parking Permit Fee," B.R.C. 1981. ~~The city manager may issue nonresident commuter permits up to December 31, 2012, after which date this permit will no longer be available within neighborhood permit parking zones, unless re-authorized by the city council before that time.~~

Section 2. This ordinance is necessary to protect the public health, safety and welfare of the residents of the city, and covers matters of local concern.

Section 3. The council deems it appropriate that this ordinance be published by title only and orders that copies of this ordinance be made available in the office of the city clerk for public inspection and acquisition.

INTRODUCED, READ ON FIRST READING, AND ORDERED PUBLISHED BY TITLE ONLY this 6th day of November 2012.

Mayor

Attest:

City Clerk

READ ON SECOND READING, PASSED, ADOPTED AND ORDERED PUBLISHED BY TITLE ONLY this 15th day of November 2012.

Mayor

Attest:

City Clerk

ORDINANCE NO. 7880

AN ORDINANCE AMENDING CHAPTER 4-23, "RESIDENTIAL PARKING PERMITS," B.R.C. 1981, TO EXTEND THE SUNSET PROVISION AUTHORIZING THE CITY MANAGER TO ESTABLISH PARKING PERMIT ZONES FOR RESIDENTS OF NEIGHBORHOODS IMPACTED BY NON-RESIDENTIAL PARKING AND PROHIBITING PARKING ON STREETS WITHOUT SUCH PERMITS FOR MORE THAN TWO HOURS ON WEEKDAYS, AND SETTING FORTH RELATED DETAILS.

WHEREAS, the City Council finds and recites the following:

- A. On May 6, 1986, the City Council adopted Ordinance No. 4966 amending Chapter 4-23, "Residential Parking Zone Permits," B.R.C. 1981, authorizing the city manager to establish parking permit zones for residents of neighborhoods impacted by non-residential parking and prohibiting parking on streets without such permits for more than two hours on weekdays.
- B. On April 15, 1997, the City Council amended Section 4-23-2, "Permit Issuance," B.R.C. 1981, to include a sunset provision. The city manager may issue non-resident commuter permits up to December 31, 2007, after which date the permit will no longer be available within neighborhood permit parking zones, unless reauthorization by City Council before that time.
- C. On December 4, 2007, the City Council amended Section 4-23-2, "Permit Issuance," B.R.C. 1981, to extend the commuter permit sunset provision for a five-year period, until December 31, 2012.
- D. The permit issuance program has been in existence for fifteen years and has proven to be an effective and desirable program. There is however still a desire for a sunset provision. The commuter permit sunset provision will be extended for a five-year period until December 31, 2017.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BOULDER,

COLORADO:

Section 1. Section 4-23-2(a), "Permit Issuance," B.R.C. 1981, is amended as follows:

4-23-2 Permit Issuance.

- (a) Upon designation of a neighborhood permit parking zone pursuant to section 2-2-15, "Neighborhood Permit Parking Zones," B.R.C. 1981, the city manager shall issue parking permits for vehicles owned by or in the custody of and regularly used by residents of such zone,

by persons employed by a business located within such zone, and, if provided in the zone, by individual nonresidents upon receipt of a completed application therefor and payment of the fees prescribed in section 4-20-49, "Neighborhood Parking Permit Fee," B.R.C. 1981. The city manager may issue nonresident commuter permits up to ~~December 31, 2012~~ December 31, 2017, after which date this permit will no longer be available within neighborhood permit parking zones, unless re-authorized by the city council before that time.

Section 2. This ordinance is necessary to protect the public health, safety and welfare of the residents of the city, and covers matters of local concern.

Section 3. The council deems it appropriate that this ordinance be published by title only and orders that copies of this ordinance be made available in the office of the city clerk for public inspection and acquisition.

INTRODUCED, READ ON FIRST READING, AND ORDERED PUBLISHED BY TITLE ONLY this 6th day of November 2012.

Mayor

Attest:

City Clerk

READ ON SECOND READING, PASSED, ADOPTED AND ORDERED PUBLISHED BY TITLE ONLY this 15th day of November 2012.

Mayor

Attest:

City Clerk



**CITY OF BOULDER
CITY COUNCIL AGENDA ITEM**

MEETING DATE: Nov. 15, 2012

AGENDA TITLE: Consideration of a motion to approve the Municipalization Charter Requirement Metrics.

PRESENTERS

Jane S. Brautigam, City Manager

Paul J. Fetherston, Deputy City Manager

Heather Bailey, Executive Director of Energy Strategy and Electric Utility Development

Jonathan Koehn, Regional Sustainability Coordinator

EXECUTIVE SUMMARY

In November 2011, Boulder voters authorized City Council to establish a light and power utility *only* if it can demonstrate (and have verified by a third-party independent expert) that the utility would be able to meet four requirements prior to its creation.

While the Charter language provides the requirements to be tested, it does not include the specific metrics or quantitative measures that will be used. To develop draft metrics, the city assembled an ad-hoc community group with a diverse set of perspectives. A list of participants is included as **Attachment A**. The group met twice to refine the draft metrics. The draft metrics were discussed at the Aug. 28 Study Session, Oct. 9 Energy Roundtable and Oct. 16 City Council meeting. In addition to input from this community group, staff has received individual public comments on the metrics, which are also included later in this memo. Staff is asking council to approve the metrics as presented.

BACKGROUND

Phase I of the municipalization exploration project work plan focuses on the specific tasks necessary to determine whether the Charter requirements to create a local electric utility have been met. In general, Boulder wants to *ensure that residents, businesses and institutions have access to a reliable energy supply that is increasingly clean and competitively priced.*

In early 2011, Boulder's Energy Future goals were further defined through the development of a strategic framework that allows for evaluating energy options based on the community's values. These goals enumerate the distinct, tangible outcomes important to Boulder. These have helped inform the evaluation of various proposals and options, including municipalization. The six goal areas include:

- Ensure a stable, safe and reliable energy supply
- Ensure competitive rates, balancing short-term and long-term interests
- Significantly reduce carbon emissions and pollutants
- Provide energy customers with a greater say about their energy supply
- Promote local economic vitality
- Promote social and environmental justice

These goals guide city staff's work to develop a coordinated and viable strategy; however, when voters supported the continued exploration of municipalization they (and City Council) emphasized the need to set specific parameters that must be met to move forward towards creating a local electric utility.

The Charter provisions related to a possible Light and Power Utility are summarized below, and the full Charter language in Article XIII, Section 178 is included as **Attachment B**.

The Charter provisions set the floor such that if they cannot be fulfilled, municipalization would not occur. This memo summarizes progress toward setting metrics related to the Charter provisions. These metrics are the threshold requirements that must be fulfilled for municipalization to occur. Because they reflect the Charter provisions, they do not incorporate every measure or variable that will be evaluated on the path to determine the feasibility of municipalization. Notably, they also do not include aspirational targets. They should be thought of as a means of eliminating municipalization strategies that would not meet the Charter provisions so that focus can be directed toward the most viable option or options. Importantly, while the Charter articulates the conditions under which municipalization is possible, the Energy Future goals describe the conditions under which it is also desirable. Therefore, future research will attempt to quantify how municipalization could lead to risks or opportunities related to the Energy Future goals.

The metrics were brought to council for approval on Oct. 16. Due to questions raised by council and the public, staff pulled the item and rescheduled it for a public hearing on Thursday, Nov. 15.

STAFF RECOMMENDATION

The following metrics have incorporated additional language for reliability and defined specific terminology to further clarify metric calculations (**Attachment C**), in response to feedback from both council and the public. The team is recommending that council adopt the following Charter metrics to provide a minimum test or baseline that must be met in order to be considered by council. Staff recognizes that just meeting a baseline metric does not necessarily mean the city

should municipalize; therefore, strategies presented in the first quarter of 2013 also will need to show the additional value and tradeoffs over and above the baseline Charter metrics. The following chart captures the proposed baseline metrics, as they relate to the Charter requirements.

Charter Requirement	Proposed Metric	Comments
Rates do not exceed rates charged by Xcel at time of acquisition	Average cost per kilowatt hour (kWh) of electricity by class as provided by Xcel (residential, commercial and industrial) compared to Xcel's average cost per kWh at time of acquisition	<p>The average cost is calculated using the utility's annual revenue requirement divided by the most recent annual kWh projections provided by Xcel. The revenue requirement includes all elements that are currently included in rate-payer costs, such as operations & maintenance, incentives, fuel costs, purchased power, and capital costs (debt service).</p> <p>Due to the inability of city staff to obtain key rate calculation inputs, such as kWh (energy) and kW (demand) by rate class and tariff, rate comparisons by rate schedule cannot be calculated. These inputs, along with the methodology Xcel uses to allocate costs and calculate rates currently are unavailable. The breakdown of total revenues and kWh between residential, commercial and industrial are currently the only level of detail available at this time.</p> <p><i>Note:</i> If cost allocation by rate class data is available from Xcel, the city would try to model at that level.</p>
Rates produce revenues sufficient to pay for the new utility's operating expenses and debt payments plus an amount equal to 25% of debt payments	Debt service coverage ratio (DSCR) will be measured by dividing net annual operating income by the total annual debt service, using a standard rating agency methodology.	DSCR is measurement of a utility's ability to generate enough revenue to cover the cost of its debt payments. It is calculated by dividing the net operating income by the total debt service. The Charter requires that the new utility have a DSCR of 1.25, meaning that it generates 25% more revenue than required to cover its debt payment. This is a standard metric used by all rating agencies who evaluate municipal utility bonds. Staff will work with the city's financial advisor to develop a calculation of DSCR that will meet the rating agency requirements.

<p>Reliability comparable to Xcel</p>	<ol style="list-style-type: none"> 1. Maintain comparable electric equipment, facilities and services as those of Xcel at time of acquisition, which will be designed to achieve the same System Average Interruption Duration Index (SAIDI) of 85 and a System Average Interruption Frequency Index (SAIFI) of .85, which is slightly better than the Xcel four year average for the Boulder region. 2. Maintain an adequate reserve margin of 15%; and 3. Meet applicable North American Electric Reliability Corporation (NERC) compliance requirements 	<ol style="list-style-type: none"> 1. “Comparable electric equipment” means the purchased or installed electric utility equipment and configuration provides the same level of reliability (redundancy and system protection) as the equipment currently owned and operated by Xcel for the area identified for municipalization. 2. “Comparable services and facilities” includes providing experienced and professional management of the local utility grid, including ongoing investment in maintenance and system improvement, and a strong customer-service ethic and partnerships to respond to emergencies, daily maintenance and long-term grid investment. 3. The SAIDI and SAIFI metrics are based on Xcel’s four year average for the Boulder region. This includes more than the city of Boulder and discrete metrics for the city are not available. Without understanding the condition of the system and its performance, the selection of an average seemed to be a reasonable measure. 4. A reserve margin or “reserve capacity” is an amount of electricity capacity above the anticipated load. 15% is the accepted industry practice. 5. NERC is the electric reliability organization (ERO) certified by the Federal Energy Regulatory Commission to establish and enforce reliability standards for electric utilities.
<p>A plan to reduce greenhouse gas (GHG) emissions and increase renewable energy</p>	<p>A short-term plan (5 years) demonstrating that emissions will be reduced, as calculated based on metric tons equivalent, and that renewables will be increased</p>	<p>The specific metrics for showing measurable reductions will minimally include metric tons of carbon dioxide equivalent (mtCO₂e), which is used to convert all GHGs, such as CO₂ and CH₄, into a single measure. The plan will address emissions of other pollutants</p>

	<p>proportionally beyond the levels that would have been otherwise achieved by staying with Xcel at the time of acquisition.</p> <p>A long-term plan (20 years) will demonstrate that the city's carbon intensity¹ from electricity in its portfolio will be less than Xcel's, and renewables (as a proportion of the resource mix) will be greater than Xcel's.</p>	<p>associated with generating electricity. The reductions will include, for both the city and Xcel the impacts of energy efficiency and demand response programs.</p> <p>Given that reductions are to be made over time, the comparison to Xcel must use the same load growth assumptions Xcel is using to define its future resource requirements and portfolio before energy efficiency or demand response adjustments.</p>
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Suggested Motion Language:
Staff requests council consideration of this matter and action in the form of the following motion:

Motion to approve the Municipalization Charter Requirement Metrics.

DISCUSSION

Many of the issues raised, and much of the discussion of the metrics, centered on whether these metrics are sufficiently inclusive and specific enough to inform council as to whether the city should municipalize. To briefly summarize, the metrics are based on the Charter provisions only and will be used to establish a floor or baseline that must be met before the city can move forward with municipalization. The strategies that staff will present to council in the first quarter of 2013 will be based on a 20-year outlook and incorporate much more than what is measured by the Charter metrics (see the municipalization exploration work plan at www.boulderenergyfuture.com for more detail about the analyses that are being conducted to reach this level of specificity).

Specific comments included the following:

Request for more time to gather input from Boulder Chamber members.

*Response: This was granted by moving the decision out a month. Staff also met with a representative from the Chamber to discuss the draft metrics. Additional input was provided on Oct. 31 and included as **Attachment D**, along with staff responses.*

¹ Carbon intensity is the ratio of emissions per unit of output, which in this case is the carbon dioxide equivalent released per MWh of energy produced. Emission intensities are used to derive estimates of air pollutant or greenhouse gas emissions based on the amount of fuel combusted.

Why are only minimum legal Charter requirements being considered? Shouldn't a broader set of measures of the interests of Boulder citizens, residents, and business be considered?

Response: The objective of this work task is to identify "what" will be measured to ensure that the city Charter requirements have been met, and to set the baseline from which specific targets will be set. Additional staff work is expected to produce information that goes beyond this minimum test. Additional broader targets related to rates, reliability, revenue and emissions will be included in Phase II of the exploration of municipalization, which will focus on the value added from each strategy.

City staff and council should not be establishing metrics at all; instead, these should be established by the third-party independent evaluator.

Response: While the city agrees that the third-party independent evaluator should use the Charter requirements to assess the adequacy of the evaluation process, we believe the evaluator will be expecting to utilize parameters established by council, among other criteria, in performing its analysis. The metrics approved by the council are based on the Charter language approved by Boulder voters and will set the floor or baseline that must be achieved in order to move forward with the municipalization exploration project.

The metrics committee did not include any accounting or ratemaking experts.

Response: Heather Bailey, the executive director who is spearheading this effort, is a CPA and is well-versed in regulatory accounting and ratemaking practices. She is incorporating those principles into the calculation of the average cost per kWh by rate class, as well as evaluating the information made available in Colorado Public Utilities Commission rate filings by Xcel to help ensure the analysis is an apples-to-apples comparison.

The draft metrics do not reflect standard financial ratios commonly used to evaluate the financial condition of a utility.

Response: As stated above, the Charter metrics are specifically designed to provide a quantifiable measure of the voter-approved prerequisites. For purposes of this item, staff, in conjunction with the metrics committee, is asking for approval of the proposed metrics to validate what we believe to be a reasonable interpretation of what will be measured to meet the requirements of the Charter. However, as part of the process for developing strategies to bring to council in early 2013, the city is hiring a financial advisor with specific expertise in municipal utility financing. Staff will work with the financial advisor to develop financial models and complete a meaningful analysis. The expectation is that this work will support not only the strategy development and path forward but will also be robust enough to potentially support future financings and rating agency scrutiny. The types of ratios referenced will be part of the modeling work being done between now and the first quarter of 2013 which will be incorporated in any implementation plan.

It seems shortsighted and a disservice to Boulder residents and businesses to focus only on the minimum Charter requirement of rate parity at the time of the acquisition. A longer perspective should be taken. For example, rates should be compared over a 10 year forecastable period.

Response: As discussed, the Charter is the legal test we must meet to municipalize. The municipalization work plan will include a 20-year projection of costs and associated rates that

exceed the baseline or Charter metrics. This is to address the concern that rates would be kept artificially low in the first year to allow municipalization but escalate quickly after that, to the detriment of residents and businesses.

It will be important to ensure that the basis of the rate comparison is equitable and comprehensive. Rates should be considered overall but also by detailed customer rate class, considering in detail customer use and demand, and not just by broad categories.

Response: The rate comparison will use standard cost of service principles in determining the city's revenue requirement compared to Xcel's. Within the three rate classes (residential, commercial and industrial) there are 27 applicable rate schedules. Staff agrees the level of detail by customer class is important and would like to reflect that same detail in our calculation, but specific details of these rate schedules is not publicly available. Should those details become available, a more discrete comparison will be performed.

What about future capital budget requirements for replacement of aging infrastructure, which constitute the majority of assets acquired, or deployment of new technologies?

Response: The ongoing investment in distribution system infrastructure required to adequately maintain the system, along with and the inclusion of any potential new technologies, will be part of the cost of operating a municipal utility and will be included in the 20-year financial model.

Given what will be Boulder's very limited financial and human resources, will conventional reserve margins be adequate? How will we allow for and prepare for infrequent high-impact events?

Response: As part of the work plan, previously discussed with council, staff is utilizing experts and examining best practices to assess reserve margin requirements. In addition, as part of the reliability evaluation, staffing and resource requirements will be factored into the cost and reliability task to ensure that reliability metrics will be achieved.

As to reliability, the memo addresses infrastructure and operating goals for the systems to be purchased from Xcel. What has not been addressed are the connections we will have to the grid outside of Boulder. We hear stories about "separating" the Boulder system from the balance of the Xcel system. It will be critical after separation to have many connections to get power into Boulder should one connection fail.

Response: The proposed reliability metrics and comments section refer to maintaining comparable electric equipment, facilities and services as those of Xcel. This is intended to address the concerns that redundancy (maintaining multiple paths for power) be provided, as well as other design characteristics intended to achieve the same or better SAIDI and SAIFI as Xcel.

Where are the numbers for reliability? Why not list Xcel's current key metric service levels and establish targets for what the city will meet based off of that? Will there be penalties charged for service outages similar to what Xcel incurs, and if so, what are they and where are they budgeted?

Response: Staff has incorporated SAIDI and SAIFI reliability metric numbers in the proposed Charter metrics. These are based on Xcel's historical performance between 2008 and 2011. Future performance goals will be part of Phase II when the implementation plan targets will be

developed. Any utility, municipally owned or investor owned, is subject to the same reliability requirements and penalties by the National Energy Reliability Corporation (NERC) and the Western Area Coordinating Council (WECC). The budget for these requirements will be included in the analysis over the next four months.

GHG reductions should be expressed in terms of absolute total values, not reductions per kWh. This would result in appropriate consideration of programs such as energy efficiency and demand-side management (DSM), which have the greatest impact, are the most cost-effective, and should be considered first.

Response: DSM, which includes both energy efficiency and demand response, are key resources being included in the staff resource portfolio analysis and will factor into the emissions and renewable calculations. While the proposed metrics are calculated on a per ton of emissions basis, it is not appropriate to perform a comparison to Xcel on an absolute total value for emissions or renewable unless presented as a proportion or percentage.

The comparison to Xcel Energy should be based on what the resource mix would have looked like had the city accepted Xcel's wind energy deal.

It should be clear that the city never was in a position to "accept" a wind energy deal. The proposal was originally offered with the condition that the city place a 20-year franchise on the Nov. 2011 ballot. City staff made clear to Xcel that the City Council would not agree to place such a franchise on the ballot. Negotiations proceeded with this condition placed aside. When negotiations reached the late stages, city staff asked Xcel whether the franchise condition was still a prerequisite for any wind deal. Xcel insisted that it was. Negotiations went no further. There was never any final proposal against which a proposed municipalization could be measured.

It is also important to note that the wind deal proposed was essentially a hedge against a rise in natural gas prices. That is, city residents would have paid less for electricity if natural gas prices rose and more if those prices dropped. In the last year, natural gas prices have dropped dramatically. Thus, rates under the wind proposal would likely be higher than Xcel's current rates.

There are no specific metrics for emissions. Isn't this supposed to be the benefit area driving this whole initiative? If so, why won't the city state specific plans, costs and benefits? Why not treat that last best offer from Xcel as the baseline and tell us specifically how the city will do better and at what cost?

Response: There will be metrics presented showing measurable reductions in GHG emissions compared to the same metrics employed by Xcel. In addition, a plan will be presented that shows measurable improvement over 20 years and the cost/impact of the plan. The offer from Xcel to purchase RECs from a new wind farm is actually part of any future comparison to Xcel, given the company proceeded with the purchase of that wind supply, and will be included in determining its GHGs.

The city is not being transparent with the economics associated with this initiative. If this were a private business, a business plan with all key assumptions and risks would be published, updated and understood by all stakeholders.

Response: The municipalization work plan has been posted on the www.boulderenergyfuture.com website as well shared during a variety of public presentations and in communications with council. In addition, the team has solicited participation from stakeholders with expertise in many different areas in order to incorporate the diverse perspectives and knowledge within the community. The work has not progressed to the point of having a complete financial model, which is why nothing more specific has been posted. However, the city supports transparency. The city will be vetting assumptions with work teams and posting these assumptions on the website. The only caveat relates to data associated with potential litigation which will be kept confidential, to maintain the city's strategic and negotiating positions.

The city should provide a monthly budget versus actual report on all expenses during each phase of this initiative.

Response: As discussed at the Aug. 28 study session with council, staff will present quarterly budget reports for the municipalization exploration project.

Issues sent via email

Response: The issues raised in many of the correspondence to council and staff are pertinent and staff does not disagree these need to be considered; however, most of these are premature and will be done as part of the work plan. The Charter metrics are a solid starting point for the additional analysis, performed according to the work plan over the next five months, providing the depth and detail referenced in the memos.

NEXT STEPS

If council accepts the proposed metrics, staff will incorporate them into the modeling process to test the various municipalization strategies to be presented to council during the first quarter of 2013.

ATTACHMENTS

Attachment A:	Ad-hoc metrics community working group
Attachment B:	City Charter language in Article XIII, Section 178
Attachment C:	Key definitions
Attachment D:	Chamber of Commerce letter and staff responses to comments on charter metrics

ATTACHMENT A

Municipalization Charter Requirement Team

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John Tayer, Public Affairs Center

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Angelique Espinoza, Boulder Chamber of Commerce

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ATTACHMENT B

ARTICLE XIII. LIGHT AND POWER UTILITY

Sec. 178. Creation, purpose and intent.

(a) The city council, at such time as it deems appropriate, subject to the conditions herein, is authorized to establish, by ordinance, a public utility under the authority in the state constitution and the city charter to create light plants, power plants, and any other public utilities or works or ways local in use and extent for the provision of electric power. The city council shall establish a light and power utility only if it can demonstrate, with verification by a third-party independent expert, that the utility can acquire the electrical distribution system in Boulder and charge rates that do not exceed those rates charged by Xcel Energy at the time of acquisition and that such rates will produce revenues sufficient to pay for operating expenses and debt payments, plus an amount equal to twenty-five percent (25%) of the debt payments, and with reliability comparable to Xcel Energy and a plan for reduced greenhouse gas emissions and other pollutants and increased renewable energy; and

(b) The governing body of the electric utility enterprise shall be the city council. The council may, by ordinance, delegate responsibility to the electric utilities board or the city manager as appropriate.

(c) The people of Boulder seek electric power supplied in a reliable, fiscally sound, and environmentally responsible manner. Therefore, the utility will be operated according to the following guiding principles.

(1) **Reliable Energy:** Community safety, convenience, and prosperity all depend on the reliable delivery of electric power. The utility will deliver reliable electric power. The utility's foremost responsibilities will be to provide electric power that is high quality and dependable, support economic vitality, prevent service outages, and respond promptly to any service outage.

(2) **Fiscal Responsibility:** The cost of electric power is a significant portion of business and household budgets. The utility will operate in a fiscally responsible manner, always being mindful that every expenditure will be reflected in customers' rates and will affect household budgets and business profitability. The utility will, while always honoring its obligations to bondholders, strive to maintain rate parity with any investor-owned utility whose service area would include the City of Boulder.

(3) **Clean Energy:** Climate change and diminishing fossil fuel supplies, combined with the high cost of those fuels, are significant factors leading to the creation of the utility. The utility will strive to reduce reliance on fossil fuels, focus on sustainable alternatives, and seek new opportunities for producing clean energy.

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(4) Ratepayer Equity: The utility will direct its efforts to promote ratepayer equity in all aspects of its operations. Rates charged by the utility will be designed to create a fair and equitable distribution among all users of the costs, replacement, maintenance, expansion, operations of facilities, energy, and energy conservation programs for the safe and efficient delivery of electric power to city residents and other customers. The utility will consider the effects of its programs, policies, and rates in the development of programs for low-income customers.

(5) Environmental Stewardship: Preserving and protecting our natural environment goes well beyond producing clean energy. The utility will be a good environmental steward by working to reduce the environmental impact of its operations, including working to reduce the demand for electricity. Energy and power that is produced in an environmentally responsible manner requires that the city balance environmental factors as an integral component of planning, design, construction, and operational decisions.

(6) Enterprise: The city will deliver electric power services by means of an enterprise, as that term is defined by Colorado law. The city further declares its intent that the city's electric utility enterprise be operated and maintained so as to exclude its activities from the application of Article X, Section 20 of the Colorado Constitution. (Added by Ord. No. 7804 (2011), § 2, adopted by electorate on November 1, 2011.)

Section 179. Definitions.

Unless the context specifically indicates otherwise, the following words and phrases shall have the following meanings as used in this article:

(a) "Electric Utility Activity" includes, but is not limited to, the provision of electric power to customers within its service area.

(b) "Electric Utility Enterprise" means the electric utility business now or hereafter owned by the city, which business receives under ten percent (10%) of its annual revenues in grants from all Colorado state and local governments combined and which is authorized to issue its own revenue bonds pursuant to this article or other applicable law.

(c) "Electric Utility Facilities" means all real and personal property utilized by the city in connection with the generation, transmission, provision distribution and conservation of energy, electricity, light and power for the city, now or hereafter owned or operated by the city.

(d) "Grant" means any direct cash subsidy or other direct contribution of money from the state or any local government in Colorado which is not required to be repaid. "Grant" does not include:

(1) any indirect benefit conferred upon the electric utility enterprise from the state or any local government in Colorado;

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(2) any revenues resulting from rates, fees, assessments, or other charges imposed by the electric utility enterprise for the provision of goods or services by such enterprise; or

(3) any federal funds, regardless of whether such federal funds pass through the state or any local government in Colorado prior to receipt by the electric utility enterprise. (Added by Ord. No. 7804 (2011), § 2, adopted by electorate on November 1, 2011.)

Section 180. Powers of the electric utility enterprise.

In addition to any of the powers it may have by virtue of any of the applicable provisions of state law, this Charter, and the Code, the electric utility enterprise shall have the power under this article:

(a) to acquire by gift, purchase, lease, or exercise of the right of eminent domain, to construct, to reconstruct, to improve, to better and to extend electric utility facilities, wholly within or wholly without or partially within and partially without the territorial boundaries of the city, and to acquire in the name of the city by gift, purchase, or the exercise of the right of eminent domain lands, easements, and rights in land in connection therewith;

(b) to operate and maintain electric utility facilities for its or the city's own use and for the use of public and private consumers and users within and without the territorial boundaries of the city;

(c) to accept federal funds under any federal law in force to aid in financing the cost of engineering, architectural, environmental, or economic investigations or studies, surveys, designs, plans, working drawings, specifications, procedures, or other action preliminary to the construction, operation or remediation of electric utility facilities;

(d) to accept federal funds under any federal law in force for the construction, operation or remediation of electric utility facilities;

(e) to prescribe, revise, and collect in advance or otherwise, from any consumer served by a electric utility activity, rates, fees, and charges or any combination thereof for the services furnished by, or the direct or indirect connection with, the electric utility facilities; and in anticipation of the collection of revenues of such electric utility facilities, to issue revenue bonds to finance in whole or in part the cost of acquisition, construction, reconstruction, improvement, betterment, or extension of the electric utility facilities; and to issue temporary bonds until permanent bonds and any coupons appertaining thereto have been printed and exchanged for the temporary bonds;

(f) to pledge to the punctual payment of said bonds and interest thereon all or any part of the revenues of the electric utility facilities;

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(g) to make all contracts, execute all instruments, and do all things necessary or convenient in the exercise of the powers granted in this section or elsewhere in state law, the Charter, or the Code, or in the performance of its covenants or duties, or in order to secure the payment of its bonds if no encumbrance, mortgage, or other pledge of property, excluding any pledged revenues, of the electric utility enterprise or city is recreated thereby, and if no property, other than money, of the electric utility enterprise or city is liable to be forfeited or taken in payment of said bonds, and if no debt on the credit of the electric utility enterprise or city is thereby incurred in any manner for any purpose;

(h) to issue refunding bonds pursuant to this article or other applicable law to refund, pay, or discharge all or any part of its outstanding revenue bonds issued under this article or under any other law, including any interest thereon in arrears or about to become due, or for the purpose of reducing interest costs, effecting a change in any particular year or years in the principal and interest payable thereon or effecting other economies, or modifying or eliminating restrictive contractual limitations appertaining to the issuance of additional bonds or to any electric utility facilities; and

(i) to begin operations of the municipal utility at such time as the city council may by ordinance provide. (Added by Ord. No. 7804 (2011), § 2, adopted by electorate on November 1, 2011.)

Section 181. Revenue bonds.

(a) In accordance with and through the provisions of this section, the electric utility enterprise, through its governing body, is authorized to issue bonds or other obligations payable solely from the revenues derived or to be derived from the functions, services, benefits or facilities of such enterprise or from any other available funds of such enterprise. Such bonds or other obligations shall be authorized by ordinance, adopted by the governing body of the electric utility enterprise in the same manner as other ordinances of the city. Such bonds or other obligations may be issued without voter approval, notwithstanding the provisions of Section 2(d) of the charter, provided that, during the fiscal year of the city preceding the year in which the bonds or other obligations are authorized, the electric utility enterprise received under ten percent (10%) of its annual revenue in grants or, during the current fiscal year of the city, it is reasonably anticipated that such enterprise will receive under ten percent (10%) of its revenue in grants.

(b) The terms, conditions, and details of said bonds, or other obligations, and the procedures related thereto shall be set forth in the ordinance authorizing said bonds or other obligations and said bonds, or other obligations may be sold in accordance with the provisions of the charter. Each bond, note, or other obligation issued under this section shall recite in substance that said bond, note, or other obligation, including the interest thereon, is payable from the revenues and other available funds of the electric utility enterprise pledged for the payment thereof. Notwithstanding any other provision of law to the contrary, such bonds, or other obligations may be issued to mature at such times as are authorized by the charter, shall bear interest at such rates, and shall be sold at or above the principal amount thereof, all as shall be determined by the

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governing body of the electric utility enterprise. Notwithstanding anything in this section to the contrary, in the case of short-term notes or other obligations maturing not later than one year after the date of issuance thereof, the governing body of the electric utility enterprise may authorize enterprise officials to fix principal amounts, maturity dates, interest rates, and purchase prices of any particular issue of such short-term notes or obligations, subject to such limitations as to maximum term, maximum principal amount outstanding, and maximum net effective interest rates as the governing body of the electric utility enterprise shall prescribe. Refunding bonds of the electric utility enterprise shall be issued as provided in Part 1 of Article 56 of Title 11, C.R.S. The powers provided in this section to issue bonds, or other obligations are in addition and supplemental to, and not in substitution for, the powers conferred by any other law, and the powers provided in this section shall not modify, limit, or affect the powers conferred by any other law either directly or indirectly. Bonds, notes, or other obligations may be issued pursuant to this section without regard to the provisions of any other law. Insofar as the provisions of this section are inconsistent with the provisions of any other law, the provisions of this section shall control with regard to any bonds lawfully issued pursuant to this section.

(c) Any pledge of revenue or other funds of the electric utility enterprise shall be subject to any limitation on future pledges thereof contained in any ordinance of the governing body of the electric utility enterprise or of the city authorizing the issuance of any outstanding bonds or other obligations of the electric utility enterprise or the city payable from the same source or sources. Bonds or other obligations, separately issued by the city and the electric utility enterprise, but secured by the same revenues or other funds shall be treated as having the same obligor and as being payable in whole or in part from the same source or sources. (Added by Ord. No. 7804 (2011), § 2, adopted by electorate on November 1, 2011.)

Sec. 182. Utility service standards.

(a) Customer Benefit: The utility shall conduct its business and affairs for the benefit of its customers and the city.

(b) Cost Effective Service: The utility will provide the electric power requirements of the customers within the service areas in a reliable, cost-effective, and environmentally responsible manner.

(c) Energy, Energy Efficiency and Renewable Energy: The utility will engage in business activities related to the provision of electric power services, which may include but are not limited to investment in conventional electric generation, generation using renewable resources, energy efficiency measures, demand side management, and associated communication systems.

(d) Rates: The council will by ordinance fix, establish, maintain, and provide for the collection of such rates, classes of rates, fees, or charges for electric service and other utility services furnished by the city. The council will consider the following factors when setting utility rates:

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(1) The utility will produce revenues at least sufficient to pay the cost of operation and maintenance of said utilities in good repair and working order; to pay the principal of and interest on all bonds of the city payable from the revenues of the utility;

(2) The utility will provide and maintain an adequate fund for replacement of depreciated or obsolescent property, and for the extension, improvement, enlargement, and betterment of the utility; to pay the interest on, and the principal of, any bonds issued by the city to extend or improve the utilities;

(3) The utility will consider electricity rates of surrounding and similarly situated communities and use best efforts to set competitive utility rates; and

(4) The council will fix rates for which electric service will be furnished for all purposes, and rates shall be as low as good service will permit, consistent with the guiding principles set forth in section 178 (c)(1) – (6).

(e) Budget and Appropriations: The council, by ordinance, will approve the budget and appropriations as required by Charter Art. VI.

(f) Accounting Standards: All revenues and expenditures of the city's electric system will be considered revenues and expenditures of the utility and shall be audited and accounted for in a manner that is consistent with charter § 127.

(g) No Free Service: No free energy or power shall be given to any person, firm, corporation, or institution whatsoever.

(h) Payments in Lieu of Taxes and for Services Rendered – City: The utility may only transfer funds for another governmental purpose within the city if:

(1) a service is provided to the utility by another department within the city; or

(2) in lieu of tax or franchise fee payments that a similarly situated private utility would have been required to pay taxes to the city. The maximum payment in lieu of taxes shall be limited by an estimated amount of property, sales or use tax, and a payment in lieu of a franchise fee not to exceed four percent of annual revenues.

(i) Payments in Lieu of Taxes and for Services Rendered – Other Governmental Entities: The utility shall annually transfer funds to the Boulder Valley School District in an amount the city council determines will approximate property taxes that a private utility would have paid to the School District on property owned by the electric utility enterprise. The utility may transfer funds to other governmental entities in lieu of property taxes that would have been paid if a similarly situated private utility would have been required to pay property taxes to the other governmental entity or for up to the value of a service rendered.

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(j) Preferences Prohibited: The utility shall not make or grant any preference or advantage to any corporation or person or subject any corporation or person to any prejudice or disadvantage as to rates, charges, service, or facilities, or in any other respect.

(k) Advantages Prohibited: The utility shall not establish or maintain any unreasonable differences or undue preferences as to rates, charges, service, facilities, or any respect as between any class of services. The utility may create a fund to provide assistance to low-income customers for energy efficiency or generation improvements or utility bill payments. When considering whether to approve such a fund, and give a preference or advantage to low-income utility customers, the utility shall take into account the potential impact of and cost-shifting to, utility customers other than the low-income utility customers. (Added by Ord. No. 7804 (2011), § 2, adopted by electorate on November 1, 2011.)

Sec. 183. Creation of an electric utilities department and general powers.

(a) Electric Utilities Department: There shall be an electric utilities department, which shall be responsible for all planning, generation, transmission, and distribution of energy, electricity and power for the city, and such other responsibilities as the city council or city manager may assign.

(b) General Powers:

The electric utilities department shall have the authority to:

(1) Generate and deliver energy and exercise all the powers of the city including those granted by the Constitution and by the law of the state of Colorado and by the charter in regard to purchasing, condemning and purchasing, acquiring, constructing, leasing, extending and adding to, maintaining, conducting, and operating an electric utilities system for all uses and purposes, and everything necessary, pertaining or incidental thereto, including authority to dispose of real or personal property not useful for or required in the electric utilities operation.

(2) Purchase, generate, transmit, distribute, and sell electric energy.

(3) Make and execute contracts, take and give instruments of conveyance, and do all other things necessary or incidental to the powers granted in this charter.

(4) Carry out the operations, supervision, and regulation of the utility related to the lawful operation of the utility as directed by the city council.

(5) Make recommendations to the electric utilities board or the city council on matters required by the city charter.

(6) Enter into contracts and agreements with any public or private corporation or any individual, both inside and outside the boundaries of the city and state:

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(A) for the joint use of property belonging either to the city or to the other contracting party or jointly to both parties; and

(B) for the joint acquisition of real and personal property, rights and franchises, and the joint financing, construction, and operation of plants, buildings, transmission lines, and other facilities. (Added by Ord. No. 7804 (2011), § 2, adopted by electorate on November 1, 2011.)

Sec. 184. Functions of the electric utilities director.

Under the direction, supervision, and control of the city manager, there shall be a director of the electric utilities department who shall be qualified by special training and experience in the field of electric utilities and municipal engineering. The director shall be the regular technical and policy advisor of the electric utilities board and shall have administrative direction of the electric utilities department. The director may be designated as the secretary of the electric utilities board and authorized to perform other necessary functions. (Added by Ord. No. 7804 (2011), § 2, adopted by electorate on November 1, 2011.)

Sec. 185. Creation of the electric utilities board.

(a) Board Created: There shall be an electric utilities board consisting of nine members not all of the same gender. The members of the board shall not hold any other office in the city, and shall serve without pay.

(b) Board Qualifications: Board members shall be selected from the registered electors of the city or from the owners or employees of a business or governmental entity that is a customer of the electric utility, provided, however, that a majority of the board shall be registered electors of the city. Board members shall be well known for their ability, probity, public spirit, and particular fitness to serve on the electric utilities board. At least three board members shall be owners or employees of a business or governmental entity that is a customer of the electric utility.

(c) Board Appointments: The city council shall appoint members of the board.

(d) Terms of Office: The term of each member shall be five years; provided, however, that in appointing the original members of the board, the city council and city manager shall continue the terms of the current members or shall stagger the initial terms so that at least one board member's term expires in each year.

(e) Removal: The city council may remove any board member for cause.

(f) Vacancies: In the event that a board member's term ends by resignation, vacation of seat or removal from service on the board, the board member shall be replaced by the city council.

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(g) Creation of Electric Utilities Board: The electric utilities board shall be created at the time of the creation of the electric utility enterprise. Until such time as the board is created, the city council shall be responsible for fulfilling the responsibilities of the electric utilities board. (Added by Ord. No. 7804 (2011), § 2, adopted by electorate on November 1, 2011.)

Sec. 186. Organization and procedure of the board.

(a) Chair and Secretary: The board shall choose a chair and a secretary from among its members. The director of electric utilities may be designated as secretary by the board.

(b) Regular and Special Meetings: The board shall have regular meetings once a month. Special meetings may be called at any time by the city manager, the chair, or four members of the board upon the giving of at least 24 hours notice of said special meeting to the board members.

(c) Quorum: Five members of the board shall constitute a quorum. An affirmative vote of a majority of the members present shall be necessary to authorize any action by the board, except as otherwise expressly provided herein.

(d) Record of Meetings: The board shall keep minutes and records of its meetings, recommendations, and decisions.

(e) Rules of Order: Except as otherwise expressly provided herein, the board shall have power to make rules for the conduct of its business. (Added by Ord. No. 7804 (2011), § 2, adopted by electorate on November 1, 2011.)

Sec. 187. Functions of the board.

The electric utilities board shall not perform any administrative functions unless expressly provided in this charter. The duties and functions of the electric utilities board shall be:

(a) Advice. To advise the city council on policy matters pertaining to the municipal electric and utility systems, including without limitation such policies as the board determines are necessary or prudent to carry out its fiduciary duties and the requirement of the charter.

(b) Sounding Board. To act as a sounding board to the city council, city manager, and the electric utility director for the purpose of identifying the ratepayers' service delivery expectations.

(c) Rulemaking. To adopt rules and regulations with respect to any matter within its jurisdiction as it may be permitted by the council.

(d) Meeting Rules. To adopt bylaws governing its meeting and agenda procedures and other pertinent matters.

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(e) Budget and Appropriations. To review and make recommendations to the city council on the city manager's proposed budget and appropriation as it relates to the utility.

(f) Revenue Bonds. To review and make recommendations to the city council concerning the issuance of revenue bonds or other obligations payable from revenues of the electric utilities enterprise.

(g) Other Recommendations. To review and make recommendations on any other matter relating to the electric utilities program, and may request and obtain from the electric utilities department and the city manager information relating thereto.

(h) Other Duties. To perform such other duties and functions and have such other powers as may be provided by ordinance. (Added by Ord. No. 7804 (2011), § 2, adopted by electorate on November 1, 2011.)

ATTACHMENT C

Key Definitions

Kilowatt hour (kWh) or energy: A unit of energy equal to 1000 watt hours. The electricity consumed by an electrical device is measured in terms of power, which is usually stated in units of watts (W). However, electric utility companies measure power consumption by kilowatt hours (kWh). This quantity represents the power consumption of all the devices in a household in kilowatts (or one thousand watts) multiplied by the number of hours the devices are in operation.

Kilowatt (kW) or demand: Sometimes called a power charge, a demand charge is measured in kilowatts (kW). This is a measurement of capacity or the rate at which you use energy. To measure demand, electric meters record the average demand usage over each 15-minute period and record the highest (peak) period for the month.

Utility rate class: General rate classes include categories, such as residential, commercial and industrial. Residential rate classes are typically limited to single-family dwellings and multifamily dwellings metered separately from one another. Master-metered multifamily dwellings can be treated either as a separate rate class or as part of a commercial rate class. Boulder only has a handful of customers in the Industrial category, while the majority of businesses are categorized as commercial.

Utility rate schedule: A rate schedule or Electric Tariff Index includes the various rates offered by a utility in its service territory. Xcel Energy currently has six residential rate schedules, sixteen for commercial and industrial customers and seven related to street lighting.

Revenue requirement: The reasonable level of revenue required for a utility to properly operate and maintain its system and meet its financial obligations. A revenue requirement provides a basis for determining the amount of revenue to be collected from rates. The revenue requirement may include operations and maintenance costs to support the system operations, taxes, administrative costs, incentives, capital improvements (imbedded in debt or profit if not part of operations), debt service, debt service coverage, and rate of return (profit).

Debt service and debt service coverage ratio (DSCR): Debt service includes the principal as well as the interest on all outstanding debt. In addition, debt service costs can include other items like debt service reserve funding, and debt service coverage requirements. Debt service reserve funding refers to the need for the utility to fund a reserve account in order to comply with the terms of the bonds, known as the bond covenants. In some cases, bondholders will require a utility to keep a reserve fund as a means to mitigate repayment risks. If so, then the money that has to be put into that fund on an annual basis as an additional revenue requirement. Debt service coverage is another bond covenant requirement; it is a provision that requires the utility to maintain its revenues at a high enough level to ensure that there is more than enough money available to make the annual debt service payments. A typical requirement is to maintain revenues net of O&M expenses at 125% of the annual debt service payment.

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Xcel Energy (Xcel): Xcel is the parent company of Public Service Company of Colorado, the regulated utility that serves Boulder. The metrics will rely on the information that is most relevant to the Boulder area, which will generally relate to Public Service Company of Colorado.

October 31, 2012

Heather Bailey
Executive Director of Energy Strategy
City of Boulder
1777 Broadway
Boulder, CO 80302

RE: Boulder Chamber Input on Metrics Memo for November 15th Council Meeting

RATES

From the Staff Memo

Charter requirement

Demonstrate that the utility can acquire the electrical distribution system in Boulder and charge rates that do not exceed those rates charged by Xcel at the time of acquisition.

Recommended metric

The comparison between a municipal utility's rates and Xcel's rates at time of acquisition will be calculated by sector (residential, commercial and industrial) using the average rate charged per kilowatt hour (kWh) of electricity compared to Xcel's average rate charged per kWh.

Feedback

Issues

At issue is the question of whether it is possible for the City to demonstrate that its rates do not exceed those rates charged by Xcel at the time of acquisition. Staff's recommendation is to calculate the comparison for each of three sectors, residential, commercial and industrial, using an average cost per kilowatt hour as calculated by the City from the information available. There are two primary difficulties with defining comparability in these terms.

For the large energy users who purchase a significant majority of the power consumed in Boulder, it matters that this metric, the floor beneath which voters have said we cannot go, is clearly and meaningfully defined. These primary power utility customers need to know how much higher or lower their rates might be in the scenario allowed by any City Council approved charter metric. These organizations have highly specific energy use patterns and customized rate schedules that may include multiple tariffs for fixed customer costs, costs which exist to serve peak demand, costs for total use of the commodity in kWhrs and even bulk energy. As a result, an average rate per kWh across the sector may bear little relation to their actual energy costs and cannot serve as a metric for comparison.

We understand that this puts the City in a bind in terms of establishing a meaningful metric for rates for large energy users and would like to help work toward a solution. As it stands, many stakeholders do not have a clear understanding of the challenges involved in establishing a more granular, specific set of rate comparisons, because the relationship between revenue requirements (and what that includes), specific user load characteristics and rates is fairly opaque to the lay person. In order to understand how the lack of certain information from Xcel limits

the City’s ability to compare specific rate scenarios, the staff memo needs to further clarify how rate calculations work. In other words, is important for the public, the majority ratepayers, and the Council to understand why one cannot simply compare the City’s proposed rates to Xcel’s published rates if they are to decide for themselves if the average rate across sectors provides a basis for meaningful comparison.

Once people have a clearer understanding of what is needed to get a more meaningful comparison of rates, they will have a better base from which to collaborate on how to achieve something which meets both the letter and the spirit of the City’s charter requirement to “demonstrate that its rates do not exceed those rates charged by Xcel at the time of acquisition.”

RELIABILITY

From the Staff Memo

Charter requirement

Reliability comparable to Xcel.

Recommended metric

A new utility’s reliability will be measured by:

1. Maintaining comparable electric equipment, facilities and services as those of Xcel at time of acquisition. This includes providing experienced and professional management of the local utility grid, including ongoing investment in maintenance and system improvement, and a strong customer-service ethic in responding to emergencies, daily maintenance and long-term grid investment.
2. Include an adequate reserve margin (tentative target 15%)
3. Meet or exceed all applicable compliance requirements established by the North American Electric Reliability Corporation (NERC)

Feedback

Issues

On the issue of reliability, many of the same concerns exist. Large energy users have widely varying circumstances which may include specific infrastructure redundancy, special priority in case of outages for life and safety or for high impacts on R&D projects or from facility downtime. Many have assigned account reps from Xcel who understand their operations and respond to specific reliability concerns.

The recommended metric in the staff memo suggests that these special circumstances could be addressed, but does not provide adequate clarification of how the particular reliability needs of large energy users would be comparably met. Does “comparable services” and “customer-service ethic” mean, for example, that a large energy customer can expect an account rep with the same understanding of outage restoration priority? If so, the metric description should reference these important services more specifically in order to communicate meaningful comparability.

An actual measurable target should be established for the metric to provide guidance for the engineering model. The SAIDI (System Average Interruption Duration Index) and SAIFI (System Average Interruption Frequency Index) numbers for Boulder County are 88.8 and 0.8 respectively. The floor for these targets must be higher for the City of Boulder to be considered comparable to Xcel’s reliability for the City, as the County’s reliability is necessarily lower due to the inclusion of more rural and mountainous service areas. Additionally, the actual reliability currently provided to specific large users should be taken into account for the same reasons that actual rate costs should be taken into account in order to arrive at a meaningful metric for comparison.

GENERAL QUESTIONS

Some of these questions are addressed, at least in part in the memo, but you may find it useful to have a sense of areas where further clarification would be helpful.

1. Why can the city not use tariff rates in public docs at PUC for a more refined level of rate parity comparison?
2. Why can't the large users just provide the city with our rates.
3. What is the cost allocation that staff refers to in table 1 in their proposal?
4. Please provide more clarification about the rate past the time of acquisition, particularly in light of the amount of unknowns and disagreements around stranded costs, capital costs and debt services.
5. Can you address the need for ongoing predictable rates and could there be a comparison of rates to Xcel past the time of acquisition?
6. Because the ballot language is so loose on rates charged, it seems to leave the door open to a number of ways of "gaming" the metrics, both subtle and overt. How will stakeholders get assurance that the spirit of the metric will be observed?
7. Can we have more details on the off ramps and the process for evaluation at those points? If Boulder spends years in the courts battling with Xcel, and then comes to find the costs are much higher than anticipated, what is to stop the City from setting a reasonable rate "at the time of acquisition" and then having much higher costs shortly thereafter?
8. How will large users be involved in the decision about whether or not to proceed at that point?
9. Currently Xcel has account reps for many large energy users. Can a new municipal utility provide the same?
10. Xcel has a priority system for restoring power first to users for life and safety needs (i.e. vulnerable populations), as well as for special circumstances such as when loss of power creates significant economic impacts (i.e. long term research projects, facility downtime, etc.). Will the City replicate these agreements?
11. NERC standards - can you provide a list?
12. How will locations with redundant feeds be addressed to ensure a comparable level of reliability in the case that the points of failure are reduced?
13. The proposed metric says there will be a plan for reduction in emissions and increase in renewables "beyond the levels that would have been otherwise achieved by staying with Xcel". For both short and long term plan, will this be compared to Xcel's existing portfolio, Xcel's existing plans for the future, or Xcel's proposed plans to the City during negotiations?

In general, we agree the points made by Council Member Wilson in his Metrics for Municipalization document and would hope to see responses to those concerns in the revised staff memo to Council. Thank you for your consideration.

Regards,

Angelique Espinoza,

Public Affairs Manager
Boulder Chamber

Chamber of Commerce

Comments on Charter Metrics

City staff responses are in bold italics

RATES

From the Staff Memo

Charter requirement

Demonstrate that the utility can acquire the electrical distribution system in Boulder and charge rates that do not exceed those rates charged by Xcel at the time of acquisition.

Recommended metric

The comparison between a municipal utility's rates and Xcel's rates at time of acquisition will be calculated by sector (residential, commercial and industrial) using the average rate charged per kilowatt hour (kWh) of electricity compared to Xcel's average rate charged per kWh.

Feedback from the Chamber

Issues

At issue is the question of whether it is possible for the City to demonstrate that its rates do not exceed those rates charged by Xcel at the time of acquisition. Staff's recommendation is to calculate the comparison for each of three sectors, residential, commercial and industrial, using an average cost per kilowatt hour as calculated by the City from the information available. There are two primary difficulties with defining comparability in these terms.

For the large energy users who purchase a significant majority of the power consumed in Boulder, it matters that this metric, the floor beneath which voters have said we cannot go, is clearly and meaningfully defined. These primary power utility customers need to know how much higher or lower their rates might be in the scenario allowed by any City Council approved charter metric. These organizations have highly specific energy use patterns and customized rate schedules that may include multiple tariffs for fixed customer costs, costs which exist to serve peak demand, costs for total use of the commodity in kWhrs and even bulk energy. As a result, an average rate per kWh across the sector may bear little relation to their actual energy costs and cannot serve as a metric for comparison.

We understand that this puts the City in a bind in terms of establishing a meaningful metric for rates for large energy users and would like to help work toward a solution. As it stands, many stakeholders do not have a clear understanding of the challenges involved in establishing a more granular, specific set of rate comparisons, because the relationship between revenue requirements (and what that includes), specific user load characteristics and rates is fairly opaque to the lay person. In order to understand how the lack of certain information from Xcel limits the City's ability to compare specific rate scenarios, the staff memo needs to further clarify how rate calculations work. In other words, is important for the public, the majority ratepayers, and the Council to understand why one cannot simply compare the City's proposed rates to Xcel's published rates if they are to decide for themselves if the average rate across sectors provides a basis for meaningful comparison.

Once people have a clearer understanding of what is needed to get a more meaningful comparison of rates, they will have a better base from which to collaborate on how to achieve something which meets both the letter and the spirit of the City’s charter requirement to “demonstrate that its rates do not exceed those rates charged by Xcel at the time of acquisition.”

Response: Additional explanation has been added to the memo.

RELIABILITY

From Staff Memo

Charter Requirement

Reliability comparable to Xcel.

Recommended Metric

A new utility’s reliability will be measured by:

1. Maintaining comparable electric equipment, facilities and services as those of Xcel at time of acquisition. This includes providing experienced and professional management of the local utility grid, including ongoing investment in maintenance and system improvement, and a strong customer-service ethic in responding to emergencies, daily maintenance and long-term grid investment.
2. Include an adequate reserve margin (tentative target 15%)
3. Meet or exceed all applicable compliance requirements established by the North American Electric Reliability Corporation (NERC).

Feedback from Chamber

Issues

On the issue of reliability, many of the same concerns exist. Large energy users have widely varying circumstances which may include specific infrastructure redundancy, special priority in case of outages for life and safety or for high impacts on R&D projects or from facility downtime. Many have assigned account reps from Xcel who understand their operations and respond to specific reliability concerns.

The recommended metric in the staff memo suggests that these special circumstances could be addressed, but does not provide adequate clarification of how the particular reliability needs of large energy users would be comparably met. Does “comparable services” and “customer-service ethic” mean, for example, that a large energy customer can expect an account rep with the same understanding of outage restoration priority? If so, the metric description should reference these important services more specifically in order to communicate meaningful comparability.

Response: The reliability metric does mean large accounts can expect those services. How those services will be delivered to specific customer classes will be addressed in Phase II, if council decides to move forward with municipalization.

An actual measurable target should be established for the metric to provide guidance for the engineering model. The SAIDI (System Average Interruption Duration Index) and SAIFI (System Average Interruption Frequency Index) numbers for Boulder County are 88.8 and 0.8 respectively. The floor for these targets must be higher for the City of Boulder to be considered comparable to Xcel’s reliability for

the City, as the County's reliability is necessarily lower due to the inclusion of more rural and mountainous service areas. Additionally, the actual reliability currently provided to specific large users should be taken into account for the same reasons that actual rate costs should be taken into account in order to arrive at a meaningful metric for comparison.

Response: Staff has looked at the previous four years SAIDI and SAIFI metrics for the Boulder area and has calculated an average for that period to use as the baseline charter metric. At this time, Xcel does not provide these metrics for the city or by large customer. Given we do not yet know the condition or configuration of the system, the four year average seemed reasonable. If and when we are able to obtain that data, we will make any necessary adjustments to the metrics.

GENERAL QUESTIONS

1. Why can the city not use tariff rates in public docs at PUC for a more refined level of rate parity comparison?

Response: City staff can use Xcel's tariff rates for Xcel's side of the comparison, but because city staff does not have access to the specific calculations from which those rates were derived the municipal side of the comparison cannot be done. Information needed to construct municipal rates comparable to Xcel's include: cost allocation factors or drivers by rate class (residential, commercial, and industrial) and rate schedule/tariff (these are the 27 rates Xcel uses to bill customers). In other words, staff would need to have the actual formulas used by Xcel and the kWh and KW consumption data by rate schedule to compare to the tariff rates. Unfortunately, this information is currently unavailable to the city. The staff will be glad to work with individual customers to attempt to recreate a proxy, if possible. As mentioned in the draft metrics, if the city or its consultant team is able to access the data to recreate the rate calculations we will provide a more granular comparison.

2. Why can't the large users just provide the city with our rates.

Response: The large users can provide the city with their rates, and as mentioned, the staff can work to create an apples to apples comparison. Even within the commercial and industrial rate classes, different customers may have multiple rate schedules and demand charges depending on their operations. Therefore, careful attention would need to be paid to ensure that the data is sufficiently representative.

3. What is the cost allocation that staff refers to in table 1 in their proposal?

Response: The allocation of utility costs refers to the distribution of utility costs between the rate classes and then down to the rate schedule or tariff level of detail.

4. Please provide more clarification about the rate past the time of acquisition, particularly in light of the amount of unknowns and disagreements around stranded costs, capital costs and debt services.

Response: The analysis will provide a 20 year outlook with respect to costs. Stranded costs, capital costs, and debt service are included in those projections.

5. Can you address the need for ongoing predictable rates and could there be a comparison of rates to Xcel past the time of acquisition?

Response: The city staff can only compare to Xcel rates past acquisition if that information is available. However, the cost impacts will be presented for 20 years, as discussed above. It is also important to keep in mind that it is not appropriate to tie the rates of one utility to another. Utilities regularly modify their rates based on a number of factors such as capitol expenses, fuel costs, etc. The real issue for each customer is the impact on their total electric bill. Rates can be designed differently between utilities and result in the same cost impact. Since city staff cannot predict how Xcel's or the city's rates will change, the analysis has focused on the cost impact over the long term as a means of judging the impact of municipalization.

6. Because the ballot language is so loose on rates charged, it seems to leave the door open to a number of ways of "gaming" the metrics, both subtle and overt. How will stakeholders get assurance that the spirit of the metric will be observed?

Response: To address this concern and provide transparency, the city is creating a 20 year plan showing how the municipalization will impact those metrics over time.

7. Can we have more details on the off ramps and the process for evaluation at those points? If Boulder spends years in the courts battling with Xcel, and then comes to find the costs are much higher than anticipated, what is to stop the City from setting a reasonable rate "at the time of acquisition" and then having much higher costs shortly thereafter?

Response: The first off-ramp is when the council decides to move forward with municipalization based on the strategies staff will present during the first quarter of 2013. The subsequent off-ramps in Phase II relate to litigation outcomes and if those result in increased costs beyond what the metrics can support. Lastly, council has an off ramp at the conclusion of Phase II, when all costs and litigation have been finalized and a final update to the financial model reveals the impact of any changes.

As mentioned above, a 20 year forecast is being developed so that the long term financial plan can inform council as to what happens to costs over time.

8. How will large users be involved in the decision about whether or not to proceed at that point?

Response: There will be input sessions in the first quarter of 2013 prior to the presentation of the strategies to council which allow large users to provide input. In addition, city staff is always available to discuss the concerns and impacts with any large users.

9. Currently Xcel has account reps for many large energy users. Can a new municipal utility provide the same?

Response: The reliability metric has a commitment to provide services comparable or better than Xcel's, which we can assume would include key account reps.

10. Xcel has a priority system for restoring power first to users for life and safety needs (i.e. vulnerable populations), as well as for special circumstances such as when loss of power creates significant economic impacts (i.e. long term research projects, facility downtime, etc.). Will the City replicate these agreements?

Response: As stated in the reliability metric, the city is committed to providing the same level of service or better and since reliability is a priority for both the city and Xcel, these same types of protocols will be part of the city's reliability plan.

11. NERC standards - can you provide a list?

Response: Yes, we will know the specific standards that apply once we determine which assets the city may need to acquire. The type of equipment, in most cases, will determine which standards to follow. That said, all bulk power system owners, operators, and users must comply with approved NERC reliability standards. These entities are required to register with NERC through the appropriate regional entity.

The focus of NERC's compliance program is to improve the reliability of the bulk power system in North America by fairly and consistently enforcing compliance with NERC standards. Specifically, the program is designed to ensure that the right practices are in place so that the likelihood and severity of future system disturbances are substantially reduced, while recognizing that no standards or enforcement process can fully prevent all such disturbances from occurring.

NERC's compliance efforts comprise three key activities:

- 1. Compliance monitoring is the process used to assess, investigate, evaluate, and audit in order to measure compliance with NERC standards.*
- 2. Compliance enforcement is the process by which NERC issues sanctions and ensures mitigation of confirmed violations of mandatory NERC reliability standards. As part of these efforts, NERC can also issue remedial action directives to immediately address and deter new or further violation(s), irrespective of the presence or status (i.e. confirmed or alleged) of a violation. Sanctioning of confirmed violations is determined pursuant to the NERC Sanction Guidelines and is based heavily upon the Violation Risk Factors and Violation Severity Levels of the standards requirements violated and the violations' duration. Entities found in violation of any standard must submit a mitigation plan for approval by NERC and, once approved, must execute this plan as submitted.*
- 3. Due Process provides registered entities the opportunity to contest any finding of a violation of a NERC reliability standard. The process allows for hearings at the regional entity and appeals before NERC. Further appeals may be possible at the appropriate governmental authority.*

NERC relies on the regional entities to enforce the NERC standards with bulk power system owners, operators, and users through approved delegation agreements. Boulder is part of the Western Electricity Coordinating Council or WECC territory. WECC is the Regional Entity responsible for coordinating and promoting Bulk Electric System reliability in the Western Interconnection and is responsible for monitoring compliance of the registered entities within their regional boundaries, assuring mitigation of all violations of approved reliability standards and assessing penalties and sanctions for failure to comply.

12. How will locations with redundant feeds be addressed to ensure a comparable level of reliability in the case that the points of failure are reduced?

Response: As discussed in the reliability metrics, the city is committed to providing the same level of service or better and since reliability is a priority for both the city and Xcel, these same types of protocols and equipment will be part of the city's reliability plan.

13. The proposed metric says there will be a plan for reduction in emissions and increase in renewables "beyond the levels that would have been otherwise achieved by staying with Xcel". For both short and long term plan, will this be compared to Xcel's existing portfolio, Xcel's existing plans for the future, or Xcel's proposed plans to the City during negotiations?

Response: The comparison will be compared to the current portfolio at the time of acquisition and over the long term to Xcel's projected portfolio as illustrated in the most current approved Electric Resource Plan filed with the Public Utilities Commission.



**CITY OF BOULDER
CITY COUNCIL AGENDA ITEM**

MEETING DATE: November 15, 2012

AGENDA TITLE - Consideration of a motion regarding 2012 performance evaluations, and performance based salary adjustments for the City Manager, City Attorney, and Municipal Judge.

PRESENTER/S

Ken Wilson and George Karakehian, City Council Evaluation Coordinators

EXECUTIVE SUMMARY

Based on performance ratings and salary preferences expressed by the City Council, the evaluation coordinators are bringing to the Council a motion regarding 2012 performance evaluations and performance based salary adjustment for the City Manager, City Attorney, and Municipal Judge for the evaluation period of July 1, 2011 to July 1, 2012.

The City Council has given the City Manager an exceptionally high performance rating and the Evaluation Coordinators recommend a 3.0% performance increase that would increase the manager's annual salary by \$5,900 from \$ 196,660 to \$202,560.

The City Council has given the City Attorney an exceptionally high performance rating and the Evaluation Coordinators recommend a 3.0% performance increase that would increase the attorney's annual salary by \$5,279 from \$175,950 to \$181,229.

The City Council has given the Municipal Judge a superior performance rating and the Evaluation Coordinators recommend a 3.0% performance increase that would increase the judge's annual salary by \$3,818 from \$127,250 to \$131,068.

(In 2011, the City Manager received a 3.5% pay increase, the City Attorney received a 3.5% increase, and the Municipal Judge received a 3.0% performance increase.)

EVALUATION COMMITTEE RECOMMENDATION

Suggested Motion Language:

Based on performance ratings and the 2012 Base Pay Increase Ballot, City Council awards a pay increase of \$5,900 (3.0% of base salary) to the City Manager's base salary, a pay increase of \$5,279 (3.0% of base salary) to the City Attorney's base salary, and a pay increase of \$3,818 (3.0% of base salary) to the Municipal Judge's base salary; these increases are retroactive to June 25, 2012.

OTHER IMPACTS

Fiscal: should Council choose to provide performance based salary adjustments, the cost for each 1% of salary granted as a performance increase would be \$1966.60 for the City Manager, \$1759.50 for the City Attorney, and \$1272.50 for the Municipal Judge. The increases would be retroactive to June 25, 2012, which is the beginning of the pay period in which the City Council Employees' common review date of July 1, 2012 falls. Attached is the 2012 Base Pay Increase Ballot that Council used to recommend if increases should be given.

Staff time: approximately 80 hours to support the Council Employee Evaluation Process. The cost for survey monkey software (\$300) is contained in the Council budget.

ANALYSIS

Each year the City Council considers granting a performance pay increase to its Council employees based upon an evaluation procedure the City Council adopted in 1998. Each Council member rates the performance of each employee on six core performance factors and additional job specific factors. The City Council's overall rating for each factor is then calculated as the average of the ratings from each Council member. Based on those averages, each Council member then indicates his/her preference for a performance pay increase for each employee (see Attachment A). If a majority of Council members support granting a performance pay increase, then that is the motion that the evaluation coordinators bring to Council. This year, the same voting methodology of Council members was followed for the consideration of the performance based salary adjustment for the Council employees.

Council's decision on whether to grant performance based increases to salary includes consideration of superior performance in the previous year and the city's financial health. In weighing performance and market-based adjustments to base pay, Council assesses their employee's compensation compared to the labor market for similar positions, the city's financial health and future outlook, and performance pay increases for other city employees.

The specific recommendations from the evaluation coordinators for this year's salary increases are based on salary comparisons of the labor market, and the council's average ratings for each employee, which are attached to this memo (see Attachment B). We also took into account the city's 2012 Merit Matrix that specifies target salary increase ranges for management employees. Those who exceed expectations and are currently in the middle to top third of their salary range distribution are typically given 2.5% to 3.5% increases.

The rating scale described above has the following performance levels for each performance factor:
Below Standard - 1, Slightly Below Standard - 2, Meets Standard - 3, Slightly Exceeds Standard - 4, Exceeds

Standard - 5. The average of Council evaluation scores for each of the three employees is as follows: City Manager 4.69, City Attorney 4.73, Municipal Judge 4.92. Attachment C shows the ratings for each category.

As can be seen from the rating for the City Manager, she received very high marks in all categories. The salary comparisons indicate that her salary is in middle to top third of the range of city managers of comparable cities, when considering the total compensation of other managers and the likelihood that there will be 2012 salary increases for those managers as well. As in past years, council members voted by ballot on a salary increase for the City Manager. The median value increase from that ballot was 3.0% and this is the increase that is therefore recommended by the coordinators.

The analysis for the City Attorney is much the same as for the City Manager. He too received very high marks in all categories, and his salary is in the middle to top third of the range of city attorneys of comparable cities. As in past years, council members voted by ballot on a salary increase for the City Attorney. The median value increase from that ballot was 3.0% and this is the increase that is therefore recommended by the coordinators.

The Municipal Judge received exceptionally high performance ratings from the council, and her salary is in the middle to top third of the range of municipal judges. As in past years, council members voted by ballot on a salary increase for the Municipal Judge. The median value increase from that ballot was 3.0% and this is the increase that is therefore recommended by the coordinators.

Approved By:
Ken Wilson and George Karakehian
Council Evaluation Coordinators

ATTACHMENTS

- A. 2012 Ballot
- B. 2012 Salary Comparisons
- C. Summary of Council Ratings

**City of Boulder – Council Employee
2012 Base Pay Increase Ballot**

Current Annual Salary:	City Attorney -	\$175,950
Current Annual Salary:	Municipal Judge -	\$127,250
Current Annual Salary:	City Manager -	\$196,660

QUESTIONS FOR 2012:

1) Shall increases in base pay be authorized for Council employees in 2012?

Please check one of the boxes to the right. YES NO

2) If increases in base pay are granted, what is your recommended amount?
Please indicate an amount for each employee.

% of Pay	City Attorney	Municipal Judge	City Manager
1%	\$1760	\$1273	\$1967
2%	\$3519	\$2545	\$3933
3%	\$5279	\$3818	\$5900
4%	\$7038	\$5090	\$7866
5%	\$8798	\$6363	\$9833
6%	\$10,557	\$7635	\$11,800
7%	\$12,317	\$8908	\$13,766
Other: _____	Other: _____	Other: _____	Other: _____

Comments:

City Manager Salaries - July 2012

Organization	Population	Annual Actual Salary	Date of Last Pay Increase	City Paid Deferred Comp.	Annual Car Allowance	Annual Bonus Amount	# of Employees Managed	Years in Current Position
Arvada	107,700	\$191,170		\$0	\$4,800	\$0	687	6 mo.
Aurora	287,216	\$185,000	12/20/10	\$0	Car	\$0	2,794	1
Colorado Springs	402,900	No Match**						
Denver	544,636	No Match						
Fort Collins	144,875	\$197,203	01/09/12	\$25,636	\$9,000	\$0	1,250	7
Greeley	92,224	\$160,000	3/1/12	\$0	\$4,800	\$0	840	6.75
Lakewood	142,980	\$196,206	4/1/12	\$22,500	\$9,261	\$0	1,814	3
Longmont	87,850	\$175,000		\$10,000	\$5,000	\$0	801	<1
Loveland	67,581	\$165,755	12/16/11	\$0	\$6,000	\$0	707	1.8
Thornton	121,240	\$205,403	12/21/08	\$41,491	\$6,600	\$0	802.0	27
Westminster	106,114	\$192,858		\$20,500	\$9,000	\$10,000	1,771	11

Average Salary: \$185,399

Boulder	99,070	\$196,650	7/1/11	\$0	0	0	\$1,208	\$4
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** Colorado Springs - No longer have a City Manager; now have a strong-mayor form of government.

*** Westminster - Voluntary reduction in pay, 1/1/11

City Attorney Salaries - July 2012

Organization	Population	Annual Actual Salary	Date of Last Pay Increase	City Paid Deferred Comp.	Annual Car Allowance	Annual Bonus Amount	# of Employees Managed	Years in Current Position
Arvada	107,700	\$158,960	7/2/2012	\$0	\$4,200	\$5,000		16
Aurora	287,216	\$158,679	1/1/09	\$22,000	\$11,352	\$0	49	29
Colorado Springs	402,900	\$183,736	7/1/08	\$0	Car	\$0	40	<1
Denver	544,636	\$141,284	10/17/10	\$0	N/A	\$0	200	< 1
Fort Collins	144,875	\$165,691	01/09/12	\$21,540	\$0	\$0	12	24
Greeley	92,224	\$140,608	1/1/07	\$0	\$0	\$0	7	23
Lakewood	148,300		contract position					
Longmont	87,850	\$140,004	12/26/11	\$4,174	\$2,400	\$0	7	3
Loveland	67,581	\$149,760	12/16/11	\$0	\$4,200	\$0	6	11.2
Thornton	121,240	\$157,264	12/21/08	\$22,017	\$4,404	\$0	7	17
Westminster	106,114	\$148,767		\$20,500	\$6,000	\$10,000	13	27

Average Salary: \$154,475

Boulder	99,070	\$175,950	7/1/11	\$0	\$0	\$0	19	2
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Presiding Municipal Judge Salaries - July 2012

Organization	Population	Annual Actual Salary	Date of Last Pay Increase	City Paid Deferred Comp.	Annual Car Allowance or Car	Annual Bonus Amount	# of Ees Managed	Years in Current Position	Responsible for Court Admin
Arvada	107,700	\$131,428	07/02/12	\$0	N/A	\$0	9	16	Yes
Aurora	287,216	\$130,665	01/01/08	\$10,613	\$0	\$0	1	7.0	No
Colorado Springs	402,900	*	07/01/08	n/a	\$0	\$0	1	3	No
Denver	544,636	\$157,458	07/01/12	\$0	\$0	\$0	2 or 3	Varies	No
Fort Collins	144,875	***	01/09/12	\$12,407	\$0	\$0	7	23	No
Greeley	92,224	\$90,001	n/a	\$0	\$0	\$0	0	3.8	No
Lakewood	142,980	\$132,427	03/20/11	3.0%	\$3,000	\$0	12	4	Yes
Longmont	87,850	\$120,924	12/27/11	\$0	\$0	\$0	7	26	Yes
Loveland	67,581	\$117,416	12/19/08	\$0	\$0	\$0	4	13.5	Yes
Thornton	121,240	\$124,922	12/21/08	\$12,492	\$0	\$0	0	24	No
Westminster	106,114	\$109,737		\$20,500	\$6,000	\$5,000	1	33	No

Average Salary: \$123,886

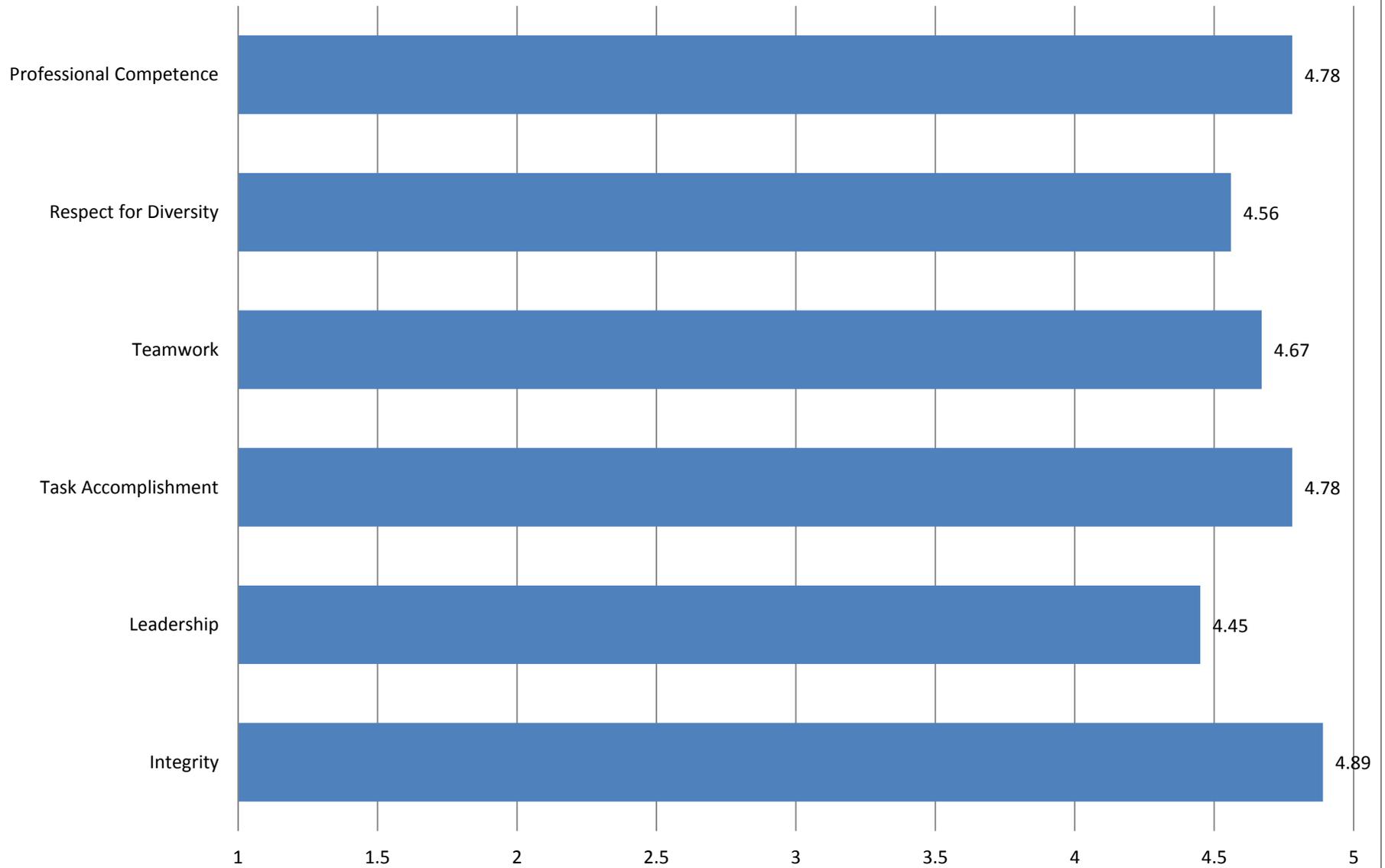
Boulder	99,070	\$127,250	07/01/11	\$0	\$0	\$0	1	11	No
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*Colorado Springs - Part-time Presiding Judge @ \$42,363; 11 part time judges at .4167 FTE

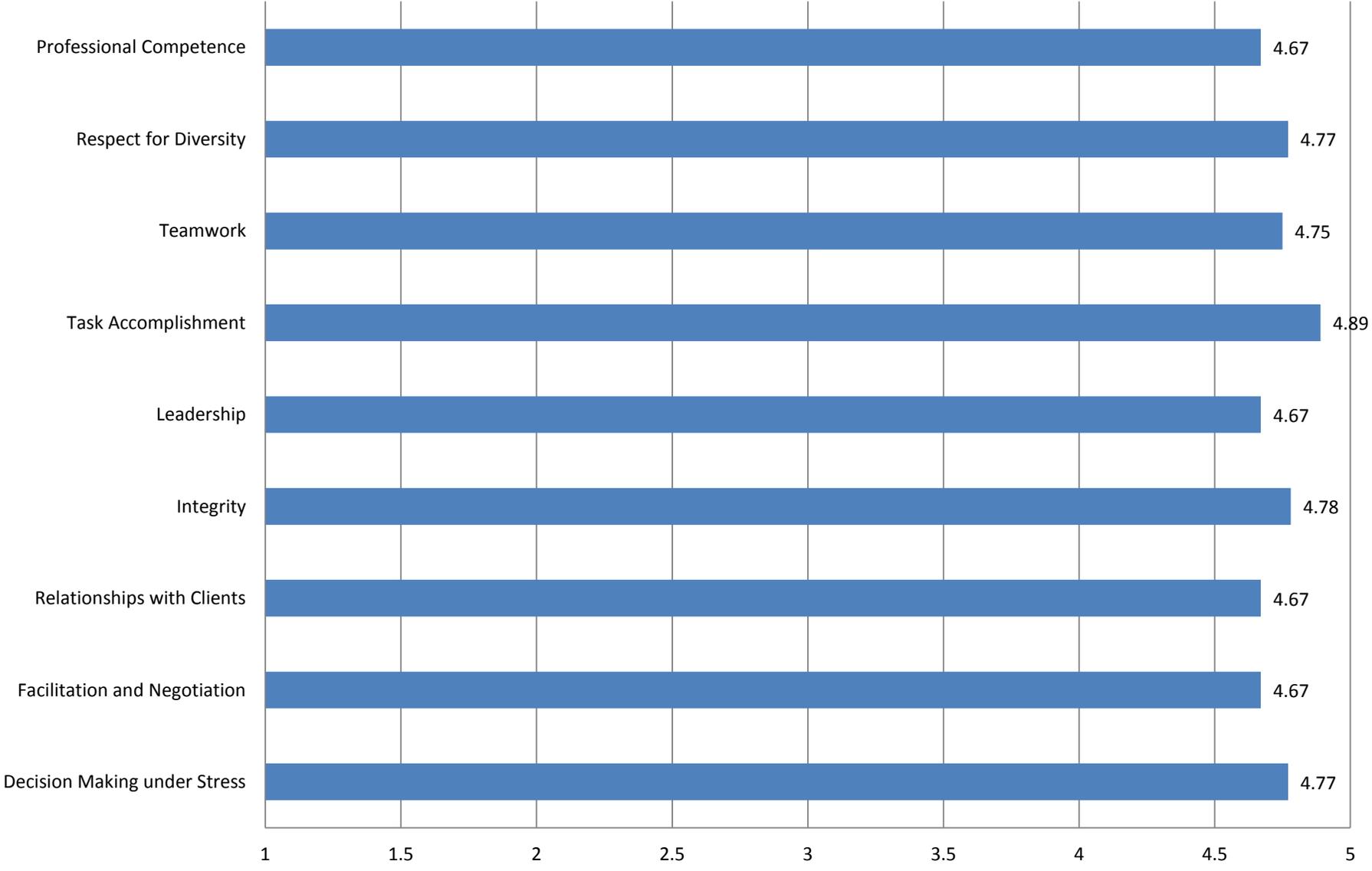
**Denver - 17 incumbents; also 4 full-time and 10 part time County Court Magistrates

***Ft. Collins - Judge is 0.8 FTE, salary of \$95,436

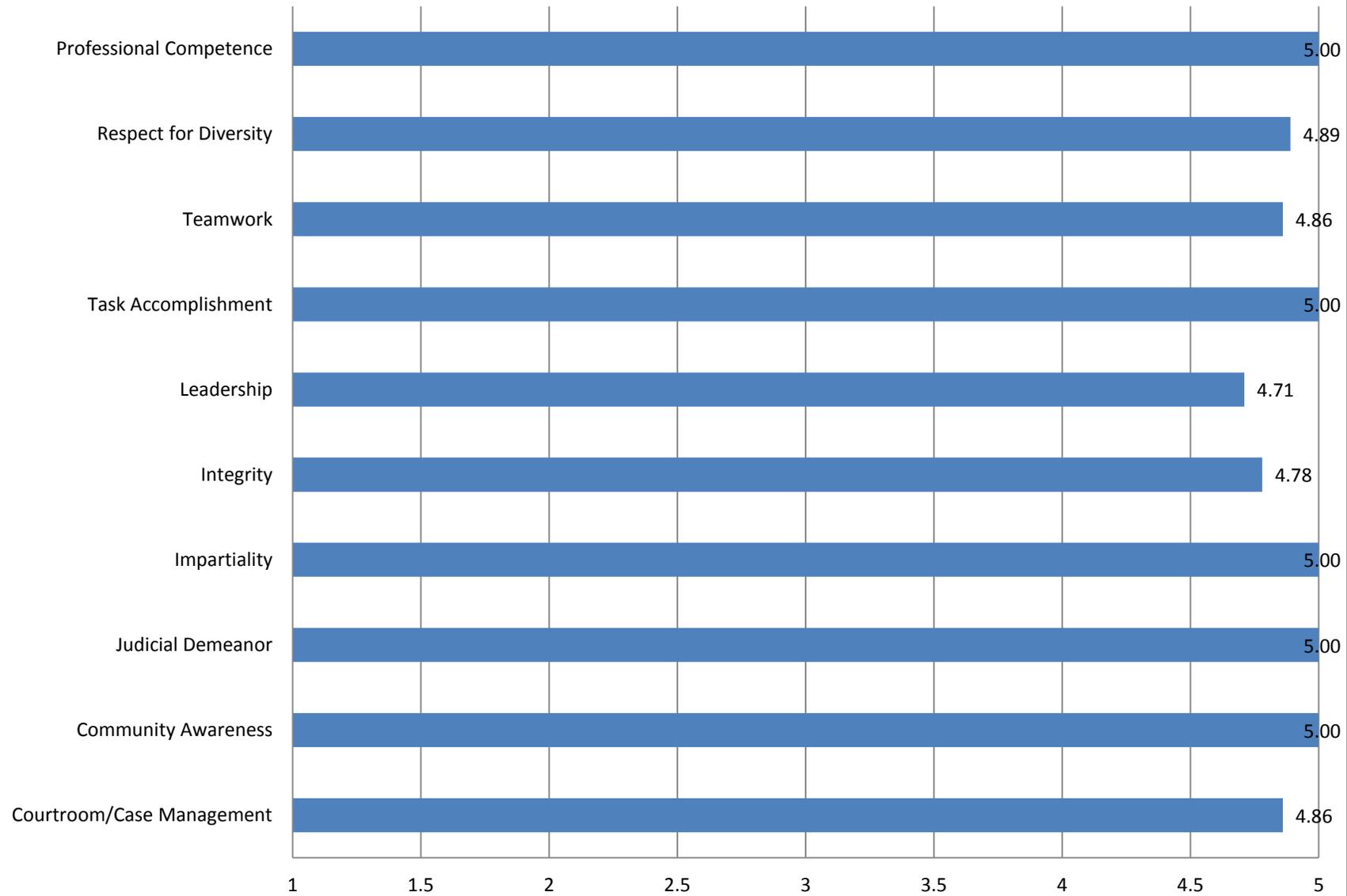
Summary of City Council Scores - 2012 City Manager - Jane Brautigam



Summary of City Council Scores - 2012
City Attorney - Tom Carr



Summary of City Council Scores - 2012 Municipal Judge - Linda Cooke



Council Working Agreements

Council Process:

- The Council will work on general discipline in being prepared to ask questions and make comments.
- The Council asks the Mayor to intervene if discussion on agenda items extends beyond a reasonable time frame.
- The council will engage in the practice of colloquy to fully explore the different sides of a specific point.
- The Mayor will ask the city clerk to set the timer lights for council members if discussions begin to exceed efficient debate. Members should respect the lights as a time reminder, but will not be bound by them as absolute limits.
- Rather than restating a point, council members should simply say "I agree."
- The council agenda committee may, with advance notice, adjust each public speaker's time to two rather than three minutes during public hearings for items on which many speakers want to address the council.
- Council members will grant each other permission to mentor and support each other on how each person contributes to the goal of being accountable for demonstrating community leadership.
- In order to hear each other respectfully and honor the public, council will avoid body language that could convey disrespect, side conversations, talking to staff, whispering to neighboring council members, passing notes, and leaving the council chambers.
- Regarding not revisiting past discussions, the council should check-in with fellow members periodically to ensure that this is not an issue.

Council Communication:

- Council members agree to keep quasi-judicial roles scrupulously clean between members of boards and members of council, like expressing ideas to board members on things coming before the Board, and carefully disclose or recuse themselves when they're involved with board members on a topic.
- Council agrees to e-mail the city manager about issues that they run into that staff or boards may be working on so that the manager can be actively involved in managing issues and keeping the full council informed well in advance of items coming before council for action.
- Members will keep the full council informed on issues from committees, public groups or other agencies that they are following, the a hot line e-mails, brief verbal reports at the end of council meetings or other means.
- The Council will find ways to support majority council decisions and adequately inform the public, through response letters that explain how divergent points of view were heard and honored in decisions, via standard e-mail responses for hot issues, by occasional council Letters to the Editor to clarify the facts, or by seeking out reporters after meetings to explain controversial decisions.

Council Committees

- Council goal committee meetings will be scheduled to accommodate the council members on the committee.
- Notice of the times and places for each goal committee meeting will be noticed once per month in the Daily Camera.
- The council agenda will include time for reports from committees under Matters from Members of Council, noting that written communications from the committees are appropriate as well.

Date	Status	Topic	Time	Televised	Location	Contacts	Materials Due	Notice Sent
11/13/12		OSMP Overarching Issues (Green Tags, Parking, Commercial Events)	6-9 PM	NO	Chambers	Mike Patton	11/01/12	
11/14/12		Legislative Breakfast	7:30-9 AM	NO	Chambers	Carl Castillo		
11/27/12	T	Police Department Master Plan Dinner Check In	5:30-6 PM	NO	Chambers	Mark Beckner Laurie Ogden		
11/27/12		Parks and Recreation Master Plan Update	6-9 PM	NO	Chambers	Kirk Kincannon	11/15/12	
12/11/12		Energy Future Roundtable	4-5:30 PM	NO	Chambers	Heather Bailey	N/A	
12/11/12		Boulder's Energy Future	6-9 PM	YES	Chambers	David Driskell Heather Bailey	11/29/12	
12/25/12		NO MEETING COB Holiday						

Date	Status	Topic	Time	Televised	Location	Contacts	Materials Due
01/15/13	T	Police Department Master Plan Dinner Discussion	5:30-6 PM	NO	Chambers	Mark Beckner Laurie Ogden	
01/15/13	T	Economic Update Retreat Preparation	6-7:30 PM 7:30-9 PM	YES NO	Chambers	Eric Nickell Alisa Lewis	01/03/13
01/18/13	T	Council Retreat	4-8 PM	NO	EBRC	Alisa Lewis	01/08/13
01/19/13	T	Council Retreat	8-5 PM	NO	EBRC	Alisa Lewis	01/08/13
01/29/13							
02/12/13							01/31/13
02/26/13	T	Boulder's Energy Future	6-9 PM	YES	Chambers	Heather Bailey David Driskell Heidi Joyce	02/14/13
03/07/13	T	Boards and Commissions Interviews	6-9 PM	NO	1777 West	Dianne Marshall	N/A
03/12/13	T	Boards and Commissions Interviews	6-9 PM	NO	Chambers	Dianne Marshall	02/07/13
03/14/13	T	Boards and Commissions Interviews	6-9 PM	NO	1777 West	Dianne Marshall	N/A
04/02/13	T	Boards and Commissions Reception with Council	5-6 PM	NO	Muni Lobby	Dianne Marshall	N/A
04/09/13	T	Transportation Finance (TMF) Winter Storm/Snow Response	6-8 PM 8-9 PM	NO	Chambers	Chris Hagelin Felix Gallo Laurel Olsen-Horen	02/28/13
04/10/13		Boards and Commissions Orientation	6-8 PM 8-9 PM	NO	1777 West	Tom Carr	
04/23/13							04/11/13
04/30/13	T	Assessment of Boulder Access and Parking Management Strategies	6-7:30 PM	NO	Chambers	Molly Winter Ruth Weiss	04/18/13
06/11/13	T	Human Services Master Plan	6-7 PM	NO	Chambers	Karen Rahn Randall Roberts	05/30/13
08/13/13	T	CIP	6-9 PM	YES	Chambers	Eric Nickell	08/01/13
09/10/13	T	Recommended Budget #1	6-9 PM	YES	Chambers	Eric Nickell	08/29/13
09/24/13	T	Recommended Budget #2 Remaining Overarching Issues with OSBT	6-9 PM 6-7:30 PM	NO	Chambers	Eric Nickell Mark Gershman Cecil Fenio	09/12/13

December 4, 2012 Preliminary: 11/21 :: Final 11/27	Est. time	CAO to Prepare Ord.?	Power Point	Timing Issues/ Comments	Contact
Election Certification to be dealt with after Roll Call					
CONSENT:					
Motion to accept the summary of the 10/30 Homelessness Study Session.					Randall Roberts, Karen Rahn x3161
Supplemental Appropriation to 2012 Boulder Junction Access Commission GID-Travel Demand Management Budget				Need to be approved before 12/31/2012.	Peggy Bunzli
Supplemental Appropriation to 2012 Boulder Junction Access Commission GID-Parking Budget				Need to be approved before 12/31/2012.	Peggy Bunzli
Supplemental Appropriation to 2012 UHGID Budget Resolution				Need to be approved before 12/31/2012.	Peggy Bunzli
Supplemental Appropriation to 2012 CAGID Budget Resolution				Need to be approved before 12/31/2012.	Peggy Bunzli
Supplemental Appropriation to 2012 Forest Glen Transit Pass GID Budget Resolution				Need to be approved before 12/31/2012.	Peggy Bunzli
Second Reading of Supplemental Appropriation to 2012 Budget Ordinance				Need to be approved before 12/31/2012.	Peggy Bunzli
Forest Glen GID Expansion for NECO program				This will need to go to CC prior to the beginning of 2013.	Laurel Olsen-Horen
Bomb Squad Units Intergovernmental Agreement					Laurie Ogden
Public Hearing					
Second Reading of the Smoking Ban on the Pearl Street Mall Ordinance	1 hour	Yes		Would like ordinance instated in early 2013	Ruth Weiss, Ellen Cunningham x7315
Chautauqua Guiding Principles	30 min.			Council expecting it	Beverly Johnson
MATTERS FROM CITY MANAGER:					
Council Input on Comcast Franchise Renewal	1 hour		10 min.	Needed prior to Feb or Mar.	Carl Castillo
MATTERS FROM CITY ATTORNEY:					
MATTERS FROM MAYOR AND MEMBERS:					
CALL-UPS:					
December 18, 2012 Preliminary: 12/5 :: Final 12/11					
CONSENT:					
1st Reading 2475 Topaz Drive Annexation and Initial Zoning					Elaine McLaughlin/Sara Finrock
Motion for approval of an IGA with Boulder County and Longmont re: Hazardous Materials Response Task Force					Larry Donner
PUBLIC HEARINGS:					
Hwy 93 underpass - IGA and disposition	30 min.		10 min.		Jim Reeder
MATTERS FROM CITY MANAGER:					
Transportation Funding Next Steps	1 hour			This item has a March 12th SS scheduled	Chris Hagelin x1832, Laurel Olsen-Horen
Boulder Civic Area	1 hour		10-15	Needed before 2013	Lesli Ellis
Economic Sustainability Strategy Work Plan	20 min.		5 min.	Asked for by council	Cassie Milestone/Sara Finrock
MATTERS FROM MAYOR AND MEMBERS:					
CALL-UPS:					

January 8, 2013 Preliminary: 26/12 :: Final 1/2	Est. time	CAO to Prepare Ord.?	Power Point	Timing Issues/ Comments	Contact
Consent					
Public Hearing					
First Reading of Inclusionary Housing Rental Policy Ordinance Revisions	1 hour	Yes	10 min.		Jeff Yegian
MATTERS FROM CITY MANAGER:					
MATTERS FROM CITY ATTORNEY:					
MATTERS FROM MAYOR AND MEMBERS:					
CALL-UPS:					
January 22, 2013 Preliminary: 1/9 :: Final 1/15	Est. time	CAO to Prepare Ord.?	Power Point	Timing Issues/ Comments	Contact
CONSENT:					
Keep it Clean IGA				Current IGA ends 3/13	Laurel Olsen-Horen
PUBLIC HEARINGS:					
2nd Reading 2475 Topaz Drive Annexation and Initial Zoning	30 min.		10 min.		Elaine McLaughlin/Sara Finrock
Second Reading of Inclusionary Housing Rental Policy Ordinance Revisions	1 hour	Yes	10 min.		Jeff Yegian
MATTERS FROM CITY MANAGER:					
MATTERS FROM CITY ATTORNEY:					
MATTERS FROM MAYOR AND MEMBERS:					
Education Excise Tax final RFP criteria	30 min.		10 min.		Carl Castillo
CALL-UPS:					

February 5, 2013 Preliminary: 1/23 :: Final 1/29	Est. time	CAO to Prepare Ord.?	Power Point	Timing Issues/ Comments	Contact
Consent					
2nd reading Keep It Clean IGA					Laurel Olsen-Horen
Public Hearing					
MATTERS FROM CITY MANAGER:					
MATTERS FROM CITY ATTORNEY:					
MATTERS FROM MAYOR AND MEMBERS:					
CALL-UPS:					
February 19, 2013 Preliminary: 2/6 :: Final 2/12	Est. time	CAO to Prepare Ord.?	Power Point	Timing Issues/ Comments	Contact
CONSENT:					
PUBLIC HEARINGS:					
MATTERS FROM CITY MANAGER:					
MATTERS FROM CITY ATTORNEY:					
MATTERS FROM MAYOR AND MEMBERS:					
CALL-UPS:					

March 5, 2013 Preliminary: 2/20 :: Final 2/26	Est. Time	CAO to Prep. Ord.?	Power Point	Timing Issues/ Comments	Contact
Consent					
PUBLIC HEARINGS:					
MATTERS FROM CITY MANAGER:					
None					
MATTERS FROM CITY ATTORNEY:					
None					
MATTERS FROM MAYOR AND MEMBERS:					
CALL-UPS:					
None.					
March 19, 2013 Preliminary: 3/6 :: Final 3/12	Est. Time	CAO to Prep. Ord?	Power Point	Timing Issues/Comments	Contact
CONSENT:					
PUBLIC HEARINGS:					
Boulder's Energy Future	1.5 hrs		15 min	Related to project work plan	Heather Bailey
Boulder Police Department Master Plan					Laurie Ogden
MATTERS FROM CITY MANAGER:					
None					
MATTERS FROM CITY ATTORNEY:					
None					
MATTERS FROM MAYOR AND MEMBERS:					
CALL-UPS:					

City Council Goals – 2012

Top Priorities:

1. Boulder's Energy Future

The top priority for the City in 2012 is the development of a framework for planning the energy future for the city of Boulder. This framework will focus on the idea of localization, the overarching goal of which is:

To ensure that Boulder residents, businesses and institutions have access to energy that is increasingly clean, reliable and competitively priced.

2. Climate Action Plan

Outline the next generation of climate action efforts in Boulder

Consider extension of CAP tax

3. Affordable Housing

Receive report of the Task force created in 2010 to evaluate goals and the approach to affordable housing and Based on Council review and discussion of these recommendations, develop an action plan to improve the availability of affordable housing in the city

Consider policies regarding inclusionary housing for rental units

4. Civic Center Master Plan

Study and develop a master plan for the area between 15th and 9th Streets, with a focus on Farmer's Market and area between Broadway and 15th Street.

Next Tier Priorities:

1. University Hill Revitalization

Continue work of Ownership Group to develop comprehensive revitalization strategy

Investigate formation of a general improvement district, including the commercial area and part of the residential area to control trash and other problems

Change boundaries of BMS land use to coincide with UHGID through BVCP process

Support private development and investment in Hill area

Partner with CU to consider opportunities for properties in the Hill area

Provide an opportunity to explore big ideas

2. Homelessness

Participate in Ten Year Plan to Address Homelessness

Balance long term and short term approaches to address needs

Invest new resources in Housing First model

Work with partners, such as BOHO, to address approaches to immediate needs

3. Boulder Junction Implementation

Work with RTD and selected developer of site to maximize mixed use urban center

Invest in planned infrastructure

Achieve goals of plan while ensuring flexibility in working with developers

Prioritize city actions to facilitate private investment

Focus additional planning work on reconsidering use for Pollard site

**City Council
2012 Work Plan by Council Goal**

TOP PRIORITIES

GOAL: Boulder's Energy Future			
2012 – 3rd Quarter	2012 – 4th Quarter	2013 – 1st Quarter	2013 – 2nd Quarter
<ul style="list-style-type: none"> ▪ Boulder's Energy Future – ongoing analysis of municipalization and work on Energy Action Plan with updates to council at roundtables and July 24 study session 	<ul style="list-style-type: none"> ▪ Boulder's Energy Future – ongoing analysis of municipalization and work on Energy Action Plan with updates to council at roundtables and Oct. 23 study session 	<ul style="list-style-type: none"> ▪ Boulder's Energy Future – ongoing analysis of municipalization and work on Energy Action Plan with updates to council at roundtables and study session (TBD) 	<ul style="list-style-type: none"> ▪ Boulder's Energy Future – ongoing analysis of municipalization and work on Energy Action Plan with updates to council at roundtables and study session (TBD)

GOAL: Climate Action Plan			
2012 – 3rd Quarter	2012 – 4th Quarter	2013 – 1st Quarter	2013 – 2nd Quarter
<ul style="list-style-type: none"> ▪ Climate Action Framework – draft five-year goals and annual targets; integration with master plans; and development of tracking and reporting tools with updates and council feedback at roundtables and July 24 study session ▪ CAP Tax – consideration of ballot language (August) ▪ Electric/ Hybrid vehicles (IP) 	<ul style="list-style-type: none"> ▪ Climate Action Framework – draft five-year goals and annual targets; integration with master plans; and development of tracking and reporting tools with updates and council feedback at roundtables and Oct. 23 study session ▪ CAP Tax – potential voter consideration in November; finalize 2013 work plan based on ballot outcome ▪ CEES – stakeholder engagement; Phase 2 options and update at Oct. 23 study session ▪ Solar Energy code changes ▪ Energy Conservation and Efficiency Program for Existing Commercial Buildings - study 	<ul style="list-style-type: none"> ▪ CEES – ongoing work on Phase 2 ordinance options; direction on preferred option from Council (TBD) ▪ Climate Action Framework: tracking and reporting tools; launch of 2013 program priorities; updates at roundtables and study session (TBD) 	<ul style="list-style-type: none"> ▪ CEES – potential ordinance adoption for Phase 2 (benchmarking and disclosure) (date TBD) ▪ Climate Action Framework: tracking and reporting tools; delivery of 2013 program priorities; updates to council at roundtables and study session (date TBD) ▪ Electric/ Hybrid vehicles – project closeout

	session <ul style="list-style-type: none"> ▪ Energy Performance Contract – Phase 3 ▪ Green Building and Green Points Program amendments; 2012 ICC Building, Fire, Wildland-Urban Interface, Energy Codes ▪ Wind generation code changes 		
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GOAL: Affordable Housing

2012 – 3rd Quarter	2012 – 4th Quarter	2013 – 1st Quarter	2013 – 2nd Quarter
<ul style="list-style-type: none"> ▪ Inclusionary Housing: development of off-site criteria ▪ Analysis of TOD Fund 	<ul style="list-style-type: none"> ▪ Inclusionary Housing: options for integration of affordable housing units ▪ Inclusionary Housing: Rental policy options 	<ul style="list-style-type: none"> ▪ Mobile Homes Parks – legislative agenda ▪ Inclusionary Housing Rental Policy Ordinance depending on Council direction 	<ul style="list-style-type: none"> ▪ Inclusionary Housing Regulations Update depending on Council direction

GOAL: Civic Center Master Plan

2012 – 3rd Quarter	2012 – 4th Quarter	2013 – 1st Quarter	2013 – 2nd Quarter
<ul style="list-style-type: none"> ▪ Feedback on city space study, flood issues and ideas competition criteria (July 31 study session) ▪ Community generates ideals for civic center vision and guiding principles 	<ul style="list-style-type: none"> ▪ Council adopts guiding principles ▪ Community generates preliminary concepts; ideas competition for local and national teams 	<ul style="list-style-type: none"> ▪ Council provides feedback on initial options (January 20) ▪ Board and community input ▪ Council adopts preferred option(s) and strategies (March) 	<ul style="list-style-type: none"> ▪ Draft plan development and community input ▪ Council study session on draft plan ▪ Municipal Space Study Final Report

NEXT TIER PRIORITIES

GOAL: University Hill Revitalization			
2012 – 3rd Quarter	2012 – 4th Quarter	2013 – 1st Quarter	2013 – 2nd Quarter
<ul style="list-style-type: none"> ▪ University Hill strategy - update ▪ Hill Residential Service District (IP) 	<ul style="list-style-type: none"> ▪ University Hill strategy - update ▪ Hill Residential Service District – check in on final proposal 	<ul style="list-style-type: none"> ▪ 2013 action priorities confirmed by Council at January retreat 	<ul style="list-style-type: none"> ▪ Hill Residential Service District – 1st reading of petition ▪ Action on other priorities (TBD)

GOAL: Addressing Homelessness			
2012 – 3rd Quarter	2012 – 4th Quarter	2013 – 1st Quarter	2013 – 2nd Quarter
<ul style="list-style-type: none"> ▪ 10-year Plan update (IP) ▪ Action Plan to address homeless issues (Service provider plan to develop coordinated outreach and case management in Boulder) ▪ Housing First – 1175 Lee Hill Road: update on management plan and MOU 	<ul style="list-style-type: none"> ▪ Direction from Council priorities on homeless issues (from Homeless issues study session) for scoping for workplan ▪ Homelessness Issues Study Session 	<ul style="list-style-type: none"> ▪ Work plan check in and priority – Council retreat 	<ul style="list-style-type: none"> ▪ Update on Homeless Action Plan (service providers)

GOAL: Boulder Junction Implementation			
2012 – 3rd Quarter	2012 – 4th Quarter	2013 – 1st Quarter	2013 – 2nd Quarter
<ul style="list-style-type: none"> ▪ Update on TVAP implementation; check-in on city owned site vision and options; and discussion of policy issues related to key public improvements, as needed (July 31 Study Session) ▪ TDM/ Parking Access GID budget - consideration 	<ul style="list-style-type: none"> ▪ Update on potential policy issues related to key public improvements 	<ul style="list-style-type: none"> ▪ TDM District Implementation Update (IP) ▪ Update on potential policy issues related to key public improvements and city owned site (as needed) 	<ul style="list-style-type: none"> ▪ Update on potential policy issues related to key public improvements and city owned site (as needed)

OTHER

GOAL: Other City Goals and Work Plan Items			
2012 – 3rd Quarter	2012 – 4th Quarter	2013 – 1st Quarter	2013 – 2nd Quarter
<ul style="list-style-type: none"> ▪ Acquisition plan update (OSMP) ▪ Annexation and site review <ul style="list-style-type: none"> ○ Boulder Jewish Commons (Arapahoe and Cherryvale) ○ Hogan Pancost ▪ Barker Reservoir Boating ▪ Capital Investment Strategy Round I - implementation update ▪ Chautauqua Stewardship Framework: draft principles for CCA lease ▪ Civic Use Task Force <ul style="list-style-type: none"> ○ Update on recommendations and next steps ▪ City Property leases (IP) ▪ Code changes <ul style="list-style-type: none"> ○ Alcohol/ Land Use ○ Congregate care ○ Community gardens ▪ CU East Campus coordination – update ▪ Disposable Bag Reduction ordinance ▪ Economic Sustainability Strategy – phase one study on primary employers (study session) ▪ Education Excise Tax – process for allocation of remaining funds ▪ Evolution of Access and Parking Management Strategies (DUHMD/PS) <ul style="list-style-type: none"> ○ IP ○ Formation of staff and community work groups 	<ul style="list-style-type: none"> ▪ Bike parking ordinance updates ▪ Capital Investment Strategy Round I - implementation update ▪ Carter Lake Pipeline – CEAP ▪ Chautauqua Parking Data Collection and Assessment – check in ▪ Code changes <ul style="list-style-type: none"> ○ Pearl Street Mall - permits and leases ▪ Disposable Bag ordinance ▪ Education Excise Tax – process for allocation of remaining funds ▪ Floodplain Management including Boulder Creek Mapping, South Boulder Creek Mitigation, and Critical Facilities ▪ NPP commuter permit - sunset ▪ OSMP natural resources – overarching policy issues ▪ Pearl Parkway Multi-use Path 30th Street to Foothills CEAP Call up ▪ Public works design and construction standards - update ▪ Randolph Center Condominium Declaration ▪ Smoking Ban on Pearl Street Mall (Pilot) – ordinance ▪ Sustainability indicators ▪ Sustainable streets and centers: typology framework and 	<ul style="list-style-type: none"> ▪ 28th Street Multi-use Path and Bikeable Shoulders Iris to Yarmouth CEAP Call up ▪ Capital Investment Strategy Round I – implementation update ▪ Contractor licensing ▪ Cultural Master Plan ▪ DUHMD/ PS assessment update (IP) ▪ Economic Sustainable Strategy – policy recommendations (study session) ▪ Floodplain Management including Boulder Creek Mapping, South Boulder Creek Mitigation, and Critical Facilities ▪ Smoking Ban on Pearl Street Mall (Pilot) – implementation ▪ State of the Court Presentation ▪ Take out container waste reduction ordinance ▪ Transportation Funding (SS) ▪ TMP Update – additional direction ▪ US36 Bikeway Maintenance – Enhancements IGA (tentative based on if extra community investments are desired) ▪ Zero Waste Master Plan Update 	<ul style="list-style-type: none"> ▪ Baseline Underpass East of Broadway CEAP – Call up ▪ Floodplain Management including Boulder Creek Mapping, South Boulder Creek Mitigation, and Critical Facilities ▪ OSMP natural resources – overarching policy issues <ul style="list-style-type: none"> ○ Temporal Regulations ○ Penalties for violations ○ Multi-modal access and parking opportunities ○ Analysis of trail network and distribution of activities ▪ Parks and Recreation Master Plan ▪ Police Department Master Plan ▪ Smoking Ban on Pearl Street Mall (Pilot) – analysis and recommendation ▪ TMP Update – additional direction ▪ Water supply status

<ul style="list-style-type: none"> ○ Disseminate RFQ's for Project Consultant ▪ Highway 93 over/underpass IGA ▪ IBM Connector Trail IGA ▪ Mall Events update (IP) ▪ Municipal Building Improvements (update) ▪ OSMP trail around city (IP) ▪ Smoking Ban on Pearl Street Mall (Pilot) – public process ▪ Stormwater Ordinance Update ▪ Stormwater Management IGA – Keep it Clean Partnership ▪ Transportation Funding (IP) ▪ TMP update – assessment, check in/ refinement policy focus areas ▪ US36 Bikeway Maintenance IGA ▪ Valmont Butte Site Management and Remediation (IP) ▪ Water supply status 	<p>direction on next steps</p> <ul style="list-style-type: none"> ▪ Takeout container waste reduction – policy direction ▪ Transportation Funding (direction) ▪ Urban wildlife – prairie dog policy and ordinance revisions ▪ Valmont Butte Site ▪ Zero Waste Master Plan Update Management and Remediation (IP) 		
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KEY

BMEA	Boulder Municipal Employees Association
BVCP	Boulder Valley Comprehensive Plan
CAGID	Central Area General Improvement District
CEAP	Community and Environmental Assessment Process
CAP	Climate Action Plan
CU	University of Colorado
DUHMD/PS	Downtown and University Hill Management District/ Parking Services (City Division)
GID	General Improvement District
ICC	International Code Council
IGA	Intergovernmental Agreement
IP	Information Packet
MOU	Memorandum of Understanding
NPP	Neighborhood Parking Permit Program
OSMP	Open Space/Mountain Parks Department
RFQ	Request for Qualifications
RH	Residential Housing
TDM	Transportation Demand Management
TMP	Transportation Master Plan

**CITY COUNCIL
ACCOMPLISHMENTS – 1ST AND 2ND QUARTER 2012**

TOP PRIORITIES:

GOAL: BOULDER’S ENERGY FUTURE

**FIRST AND SECOND QUARTER
2012 ACCOMPLISHMENTS**

- Hiring of Executive Director for Energy Strategy and Electric Utility Development
- Retention of FERC and acquisition legal counsel
- Initial work in developing appraisal of distribution system and preparing legal strategy
- Initial work on Phase 1 of a new Energy Action Plan, including demand side programs and renewables modeling
- Active participation at the PUC to advance Boulder’s energy goals and protect community interests
- Boulder Canyon Hydroelectric Facility Agreement: City Council authorized the dedication of easements to Public Service Company of Colorado to facilitate upgrades to the city’s Boulder Canyon Hydroelectric Facility.

GOAL: CLIMATE ACTION PLAN

**FIRST AND SECOND QUARTER
2012 ACCOMPLISHMENTS**

- Third party review and evaluation of CAP tax funded programs to date
- Preparation of November 2012 CAP tax ballot options for Council consideration
- Initial steps to develop and refine a new Climate Action Framework consisting a renewed climate action commitment, five-year goals, annual targets, integration with appropriate master plans and city operations, and new reporting tools
- Initial work to identify priorities for the next generation of energy efficiency programs (as part of Phase 1 of the Energy Action Plan)
- Development of Commercial Energy Efficiency Strategy approach and stakeholder process (to be integrated as part of Phase 1 of the Energy Action Plan)
- Continued delivery of CAP programs and services to achieve annual targets (EnergySmart, Ten for Change, SmartRegs compliance, etc.)
- Energy Efficiency Upgrades in City Facilities - (a) Energy Performance Contract (EPC) – Phase III; (b) Lease purchase financing for energy conservation measures; and (c) Energy improvements, lease amendments, and payments. - Implemented the third phase of Energy Performance Contracts (EPC) for city facilities, including the installation of another 347 kilowatts of solar photovoltaic

at the Municipal Service Center buildings, Fleet Services, OSMP Annex and The Dairy Center for the Arts.

- Energy Efficiency Upgrades in City Facilities – Employee Education and Outreach Project (Information Packet) - A staff team participated in three workshops with McKinstry, the city’s Energy Performance Contractor, to help develop a new PowerED energy education and outreach program for employees. Program development will continue with other city staff focus groups through the end of December 2012.

GOAL: AFFORDABLE HOUSING

**FIRST AND SECOND QUARTER
2012 ACCOMPLISHMENTS**

- Added 12 new permanently affordable homes to inventory
- Affordable housing agreement for Gunbarrel Town Center
- Affordable Housing Program Work plan - Council Consideration and Direction; new initiatives identified
- Analysis completed of affordable housing distribution
- Completed funding of major renovations to improve housing quality and economic sustainability of three BHP properties
- Development of voluntary affordable housing agreement for Depot Square project
- Inclusionary Housing Rental Policies – Council Consideration and Direction
- Thistle Community Housing completing fire sprinklers in all of its properties

GOAL: CIVIC CENTER MASTER PLAN

**FIRST AND SECOND QUARTER
2012 ACCOMPLISHMENTS**

- Development of interdepartmental project team and approach; project goals and objectives; and public engagement strategy (reviewed at joint Planning Board / City Council study session in April)
- Detailed design of community visioning process and articulation of key project assumptions (reviewed with Council at June 12 study session)
- Preparation of baseline materials and launch of public engagement in July.
- The Municipal Space Study contract was awarded to StudioTerra on March 23. FAM and the consultants are interviewing city departments and conducting research on industry trends and standards for office space. Preliminary results of the space study, as it relates to the Civic Center Master Plan, will be presented at the July 31 study session.

NEXT TIER PRIORITIES:

GOAL: UNIVERSITY HILL REVITALIZATION

**FIRST AND SECOND QUARTER
2012 ACCOMPLISHMENTS**

- Zoning change: Business Main Street (BMS) boundary to coincide with the University Hill General Improvement District boundary; rezoning of UHGID lots to BMS zoning (approved by Planning Board; scheduled for Council consideration in August)
- Continued work of the Hill Ownership Group to develop a comprehensive revitalization strategy.
- In coordination with a volunteer, stakeholder committee completed a proposal for a Residential Service District which includes: boundaries, scope of services, proposed budget, proposed governance structure, agreements for financial participation by tax-exempt sororities and fraternities, and a timeline for a 2013 Petition and Election process.
- Landmarking of Flatirons Theater building (and associated building renovation)
- 955 Broadway (Acacia Fraternity site redevelopment)

GOAL: ADDRESSING HOMELESSNESS

**FIRST AND SECOND QUARTER
2012 ACCOMPLISHMENTS**

- Council Consideration and Direction on: 1175 Lee Hill Project; added 31 permanent housing units for chronically homeless, disabled adults
- Continued Homeless Service Provider Coordination Project to develop action plans for case management, outreach and service coordination
- Continued implementation of Ten year Plan to Address Homelessness

GOAL: BOULDER JUNCTION IMPLEMENTATION

**FIRST AND SECOND QUARTER
2012 ACCOMPLISHMENTS**

- Developed and implemented a funding strategy to finance the acquisition of 100 parking spaces by the Boulder Junction Access District – Parking (BJAD-P) in the Depot Square parking garage including a Lease/Purchase Agreement between BJAD-P and the developer, and a City of Boulder/BJAD-P Cooperation Agreement
- Developed a strategy to manage parking in the parking structure through technology and a management agreement among the

users. The arrangement provides for parking spaces to be paid, unbundled, and shared in a manner to meet the needs of the various users of Depot Square (hotel, residential, RTD) and general parking in BJAD-P spaces. Agreement was reached with RTD regarding short term and long term parking management strategies given their current legislative mandate.

- Finalized the ownership structure for five different owners to coordinate management of their units and common areas through a Condominium Declaration for the Depot Square project
- Finalized a renovation agreement and lease consistent with guiding principles with Pedersen Development Corporation for the Depot
- Finalized legal agreements for joint public/private development of Depot Square (RTD facility, shared parking, affordable housing, hotel, public space and rehabilitation of historic depot
- Approved changes to the Transportation Network Plan in support of the Transit Village Area Plan (TVAP)
- Revised Street Design for Pearl Parkway and Connections Plan Revisions (adopted by Council January 17)
- Consistent with the TVAP connections plan and along with private redevelopment, a number of capital improvements are underway, including the installation of underground power lines, preparations for installing a traffic signal at Junction Place and Pearl Parkway, and portions of the Pearl Parkway multi-way boulevard
- Consistent with the TVAP connections plan, design work continues for the bridge over Goose Creek and the multi-use path on the north side of Pearl Parkway between 30th Street and Foothills Parkway
- Received a Federal Hazard Elimination Program grant award through the Colorado Department of Transportation (CDOT) that will allow installation of a traffic signal at 29th Street and Valmont Road, improving safety and implementing improvements identified in the Transit Village Area Plan (TVAP) (project will begin in 2014)
- Completion of engineering and building construction plan review for a 319 unit residential development at 3100 Pearl and the RTD Depot Square transit-oriented development

GOAL: OTHER CITY GOALS AND WORK PLAN ITEMS

FIRST AND SECOND QUARTER 2012 ACCOMPLISHMENTS

CAPITAL ITEMS

- Anemone Trails (new) – design work completed
- Arapahoe Avenue (Folsom to 30th) - Multimodal Improvements Project Completed construction on the Arapahoe Avenue multi-use path project. The remaining street resurfacing and landscaping work will be completed in 2012.
- Boulder Creek and South Boulder Creek – restoration of grassland and riparian areas continued
- Broadway (Euclid to 18th) - Transportation Improvements Project - Made progress on the Broadway (Euclid to 18th) Transportation Improvements Project. 16th Street opened the first week of May and the Broadway underpass and the four lanes on Broadway (two in each direction) are scheduled for completion by early July.
- Broke ground in January for a new multi-use path on the south side of Baseline, connecting U.S. 36 and the Bear Creek Underpass, including a pedestrian crossing for Baseline Road at Canyon Creek. Completion of the multi-use path on the west end is underway through a redevelopment project.
- Completed a new sidewalk along Gillaspie Drive, connecting Greenbriar Boulevard and Juilliard Street connecting to Fairview High School
- Completed the course bunker renovation/playability project at Flatirons Golf Course by installing 19 new sand bunkers
- Continued work at Valmont City Park, including additional construction at Valmont Bike Park; outreach and design for Valmont Dog Park; and design and construction of the interim disc golf course
- Facility ADA Compliance - An Americans with Disabilities Act (ADA) consultant completed comprehensive ADA assessments for the Park Central and Municipal buildings. Costs for the recommendations are being identified and prioritized, with other buildings planned for assessment.
- Green Bear Trail Re-route – work in progress with one section completed and opened to public
- Gregory Canyon Trailhead Site Plan – initial site plan design work began
- Homestead Trail Re-route – work in progress with one section completed and opened to public
- Library Facility Upgrades and Enhancements (New Children’s Library and New Teen Space): The selection of a design firm is underway
- Linden Avenue Sidewalk Project (Safe Routes to School) - Completed a Safe Routes to School Project, providing a sidewalk on the north side of Linden Avenue between Fourth Street and Broadway.
- New Wildland Fire Facilities - Responses to the request for qualifications (RFQ) for facility designs were received on May 11. Requests for proposals (RFP) to be sent in early June
- Organic farming – agricultural contract written for 47 acres

- Replaced traffic signal incandescent lamps with sustainable, energy-saving light-emitting diode (LED) lamps
- Sanitas Stone Hut Repair – hut was reinforced and stonework repaired
- South Boulder Creek West Trailhead – Parking areas for cars and horse trailers completed and open to public; working through permit process for outhouse and kiosk installations; interpretive signs in production
- South Boulder Recreation Center - The contaminated sub floors from the gymnasium, racquetball court, and Pilates room have been removed and are expected to be replaced with new wood floors by early June 2012.
- Street repair expanded efforts – began the first of three years

OTHER SIGNIFICANT ACTIONS¹

- Boulder B-cycle station at the North Boulder Recreation Center sponsored
- Boulder Community Hospital Expansion Rezoning
- BVCP: Area II study results and potential next steps (IP to City Council in July)
- BVCP Comprehensive Rezoning (scheduled for council consideration in August)
- BVCP 2010 Major Update: planning reserve policy changes (study session discussion with Council on May 29; Council and County Commissioner dinner discussion on June 14)
- Boulder Reservoir Master Plan completed
- Boulder Valley School District Faculty and Staff Eco Pass Program Expansion - Continued partnership with the Boulder Valley School District (BVSD) to expand the BVSD faculty and staff Eco Pass program.
- Chautauqua Stewardship Framework: Draft and Next Steps
- City Website Redesign Kickoff - Kicked off redesign with Vision Internet and the City of Arvada. Gathered a list of key stakeholders and surveyed them regarding elements the new website should contain.
- Code enforcement - reallocation of resources to the Boulder Police Department was fully implemented to ensure efficient and effective service delivery
- Community and Environmental Assessment Process (CEAP) for flood mitigation and transportation improvements along Fourmile Canyon Creek, near Crest View Elementary School completed, including a City Council call-up opportunity.
- Compatible Development implementation - annual report to Council
- Congregate Care code changes (pending further consideration based on Council direction)
- Constituent Relationship Management (CRM) procurement effort - Designed and implemented a staff engagement and procurement initiative to implement a new CRM application resulting in the unanimous selection of Government Outreach. Vendor contract negotiations are currently underway. This initiative is designed to significantly improve our customers' ability to request, track and ultimately receive more timely and effective services while providing staff with automated tools to better

manage these requests.

- Disposable Bag Reduction Ordinance: research and options presented to Council on May 15; work on nexus study underway
- Draft Fire-Rescue Master Plan completed and approved by Planning Board.
- Economic Sustainability Strategy: phase one study of primary employer space needs underway; presentation of results to Council scheduled for August
- Elks neighborhood park planning, outreach and design continued with construction and completion in 2013
- Family Resource Center opened at Manhattan Middle School in partnership with Boulder County Housing and Human Services
- FasTracks' Northwest Rail Plan - Approved guiding principles for developing and designing a hybrid approach to FasTracks' Northwest Rail Plan.
- Fire Master Plan – Council feedback on strategies (April 3, 2012); Planning Board recommendation for acceptance (May 17, 2012); Scheduled for Council consideration (June 19, 2012)
- Heather wood Trail Intergovernmental Agreement (IGA) - City Council authorized the signing of an intergovernmental agreement (IGA) with Boulder County related to the maintenance of a trail that crosses the Wastewater Treatment Facility property.
- Integrated Pest Management Policy Revision and Program Direction (Council provided direction on May 1)
- Landmarking of First Christian Church building (950 28th Street)
- Locomotive #30 narrow gauge historic cosmetic restoration completed
- Mesa Memorial Park design and development initiated
- Mosquito control annual report (Completed report on the IPM web site – link will be provided to council with first weekly mosquito report in June)
- Named number 3 on list of best cities for bicycling by *Bicycling Magazine*, in part due to the Valmont Bike Park and new path connections made possible by the capital improvement bond
- New Transportation Safety Ordinances - Approved ordinance changes to improve transportation safety in the city and initiated education and enforcement efforts to support the ordinance changes
- Organic turf and landscape bed program at six park locations launched
- Received a Safe Routes to School Grant to install a traffic signal at South Boulder Road and Manhattan Drive to create a safe crossing for middle school students taking transit, riding, or walking to and from school.
- RH-2 Zone District Changes (scheduled for council consideration in August)
- *Safe Streets Boulder* report published in February.
- SmartRegs - Continued the successful implementation of SmartRegs and the pilot program for rental housing licensing enforcement. The backlog of rental license compliance cases is almost entirely eliminated.
- Transportation Report on Progress, *Transportation to Sustain a Community* published in February.
- Valmont Butte – VCUP implementation commenced; excavation work began on April 4 with both the tribe-designated native cultural monitor and the city's archaeologist consultant present.

▪ Veterans and active duty military personnel recreation pass program developed

Key:

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BHP = Boulder Housing Partners
BVSD = Boulder Valley School District
BMS = Business Main Street
CAP = Climate Action Plan
CDOT = Colorado Department of Transportation
EPC = Energy Performance Contract
EET = Education Excise Tax
FAM = Facilities and Asset Management (City Division)
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